

**CRAWFORD COUNTY, IOWA**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2012**

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## Crawford County

### Officials

| <u>Name</u>      | <u>Title</u>         | <u>Term Expires</u> |
|------------------|----------------------|---------------------|
| Mark Segebart    | Board of Supervisors | January, 2013       |
| Steve Ulmer      | Board of Supervisors | January, 2015       |
| Eric Skoog       | Board of Supervisors | January, 2015       |
| Jerry Buller     | Board of Supervisors | January, 2015       |
| Cecil Blum       | Board of Supervisors | January, 2013       |
| Terri Martens    | County Auditor       | January, 2013       |
| Jeri Vogt        | County Treasurer     | January, 2015       |
| Denise Meeves    | County Recorder      | January, 2015       |
| Jim Steinkuehler | County Sheriff       | January, 2013       |
| Michael R. Mundt | County Attorney      | January, 2015       |
| Duane Zenk       | County Assessor      | January, 2016       |

# Gronewold, Bell, Kyhnn & Co. P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Officials of Crawford County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford County, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of Crawford County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crawford County at June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 25, 2013 on our consideration of Crawford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

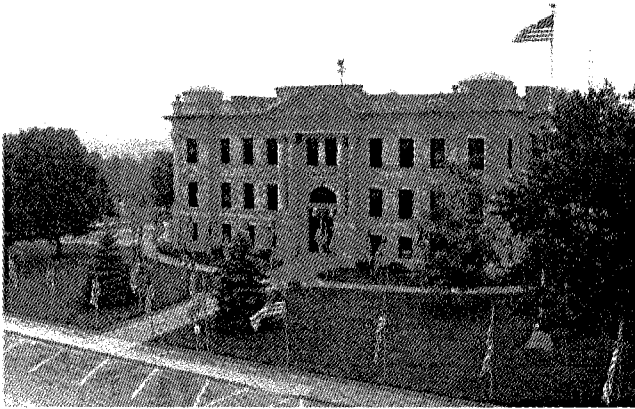
To the Officials of Crawford County

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis and the Budgetary Comparison Information on pages 3 through 3g and 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the nine years ended June 30, 2011 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GMEWHL, Ben, Kuhn & Co. P.C.

Atlantic, Iowa  
February 25, 2013



## Crawford County Board of Supervisors

Crawford County Courthouse

1202 Broadway

Denison, IA 51442

712/263-5356

Facsimile 712/263-8382

Members:

*Cecil Blum, Jerry Buller, Mark Segebart,  
Eric Skoog and Steve Ulmer*

### MANAGEMENT'S DISCUSSION & ANALYSIS

The Crawford County Board of Supervisors provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. It is the intent that this statement be reviewed and considered in conjunction with reading the County's financial statements.

#### **2012 FINANCIAL HIGHLIGHTS**

- Crawford County's revenue for the 2012 governmental activities was \$19,008,029 compared to \$16,894,291 in 2011 for an increase of \$2,113,738. Property and other county taxes increased \$156,781 from the previous fiscal year. The County expended \$874,234 of federal awards, of which \$222,745 was disaster grants from presidential declared disasters, and \$192,163 was for roadway and bridge construction.
- Crawford County's expenditures increased to \$18,334,269 in fiscal year 2012 from \$17,206,526 in fiscal year 2011 - an increase of \$1,127,743.
- Crawford County's capital assets (net of accumulated depreciation) increased approximately \$468,708 from the previous year.
- Several major capital projects were completed during FY2012, including a bridge replacement and road paving project.
- Crawford County self-funds their health insurance, using a stop loss of \$35,000. So far the plan has worked to maintain relatively level premiums and the County has been able to grow a reserve in the fund. The ending assets as of June 30, 2012 were \$941,089 and the claims incurred but not yet paid were \$276,263 leaving a net of \$664,826.

## **UTILIZATION OF THIS ANNUAL REPORT**

The annual report consists of a series of financial statements as well as other requirements as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.
- The Government-Wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Crawford County as a whole and present an overall view of the County's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Crawford County's operations in more detail than government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Crawford County acts solely as an agent or custodian for the benefit of the government.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.
- Other Supplementary Information provides detailed information about the nonmajor governmental and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the County.

### **Reporting the County as a Whole**

This includes a Statement of Net Assets and the Statement of Activities.

One of the most important questions asked about the County's finances is *Is the County as a whole better off or worse off as a result of the year's activities?* The statement of net assets and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the Statement of Net Assets and the Statement of Activities. Governmental activities include:

1. Public Safety and Legal Services
2. Physical Health & Social Services
3. Mental Health
4. County Environment and Education
5. Roads and Transportation
6. Government Services to Residents
7. Administration
8. Interest on Long-Term Debt

Property tax, local option tax, road use tax, and state and federal grants finance most of these activities.

#### Fund Financial Statements

The fund financial statements provide detailed information about individual, significant funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Crawford County has three kinds of funds: governmental funds, proprietary funds, & fiduciary funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These governmental funds may include: (1) the General Fund (General Basic & General Supplemental), (2) The Special Revenue Funds such as Mental Health, Rural Services (Rural Basic and Rural Supplemental), Secondary Roads and others, (3) the Debt Service Fund, and (4) the Capital Projects Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

2) Proprietary funds account for the County's Internal Service, Employee Group Health Fund. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The required financial statements for proprietary funds include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets and a Statement of Cash Flows.



3) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for emergency management services and the county assessor to name a couple.

The fiduciary funds required financial statements include a Statement of Fiduciary Assets and Liabilities.

A summary reconciliation between the government-wide financial statements and the fund financial statements follows the fund financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. Crawford County's net assets for FY12 total \$42,643,612 compared to FY11 at \$41,969,852. The County is recording capital assets, which increased to \$34,943,034 in FY12. The analysis that follows focuses on the changes of the net assets for our governmental activities.

#### Net Assets of Governmental Activities

|  | <u>June 30, 2012</u> | <u>June 30, 2011</u> |
|--|----------------------|----------------------|
| Current and other assets                           | \$ 19,184,421        | \$ 19,678,713        |
| Capital Assets                                     | <u>34,943,034</u>    | <u>34,474,326</u>    |
| Total Assets                                       | <u>\$ 54,127,455</u> | <u>\$ 54,153,039</u> |
| Long Term Debt Outstanding                         | \$ 1,800,000         | \$ 1,960,000         |
| Other Liabilities                                  | <u>9,683,843</u>     | <u>10,223,187</u>    |
| Total Liabilities                                  | <u>\$ 11,483,843</u> | <u>\$ 12,183,187</u> |
| Net Assets:  |                      |                      |
| Invested in capital assets,<br>net of related debt | \$ 33,166,942        | \$ 32,539,605        |
| Restricted   | 4,879,631            | 4,683,542            |
| Unrestricted                                       | <u>4,597,039</u>     | <u>4,746,705</u>     |
| Total Net Assets                                   | <u>\$ 42,643,612</u> | <u>\$ 41,969,852</u> |

The largest portion of the County's net assets is the Invested in Capital Assets (e.g. land, infrastructure, buildings, and equipment), less the related debt. The debt related to the Investment in Capital Assets is liquidated with sources other than capital assets, since they are unavailable for future spending. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. Unrestricted net assets are the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements.

| <b>CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b> |                   |                   |                  |
|---|-------------------|-------------------|------------------|
| <b>REVENUES</b>   | 6/30/12           | 6/30/11           | Difference       |
| Program Revenues  |                   |                   |                  |
| Charges for services                                    | 1,839,982         | 1,873,477         | (33,495)         |
| Operating Grants & Contributions                        | 7,416,266         | 4,118,018         | 3,298,248        |
| Capital Grants & Contributions                          | 690,774           | 1,781,674         | (1,090,900)      |
| General Revenues  |                   |                   |                  |
| Property Taxes  | 6,915,965         | 6,759,184         | 156,781          |
| Penalty & Interest on Property                          | 50,059            | 95,568            | (45,509)         |
| State tax credits                                       | 252,844           | 250,019           | 2,825            |
| Local option sales & service tax                        | 505,988           | 648,372           | (142,384)        |
| Unrestricted investment earnings                        | 121,875           | 124,737           | (2,862)          |
| Other general revenues                                  | 1,214,276         | 1,243,242         | (28,966)         |
| <b>Total Revenues</b>                                   | <b>19,008,029</b> | <b>16,894,291</b> | <b>2,113,738</b> |
| <b>PROGRAM EXPENSES</b>                                 |                   |                   |                  |
| Public Safety & Legal Services                          | 1,881,748         | 1,871,983         | 9,765            |
| Physical Health & Social Services                       | 2,431,452         | 2,487,186         | (55,734)         |
| Mental Health   | 2,162,838         | 1,647,806         | 515,032          |
| County Environment & Education                          | 921,561           | 825,320           | 96,241           |
| Roads & Transportation                                  | 7,748,355         | 7,411,572         | 336,783          |
| Government Services to Residents                        | 514,851           | 498,267           | 16,584           |
| Administration  | 2,587,392         | 2,373,172         | 214,220          |
| Interest on long-term debt                              | 86,072            | 91,220            | (5,148)          |
| <b>Total Expenses</b>                                   | <b>18,334,269</b> | <b>17,206,526</b> | <b>1,127,743</b> |
| Change in Net Assets                                    | 673,760           | (312,235)         | 985,995          |
| Net assets beginning of year                            | 41,969,852        | 42,282,087        | (312,235)        |
| Net assets at end of year                               | 42,643,612        | 41,969,852        | 673,760          |

|  | <u>Taxable Valuation with<br/>Gas and Electric Values</u> |                     | <u>Taxable Valuations without<br/>Gas and Electric Values</u> |                     |
|--|---|---------------------|---|---------------------|
|  | <u>1-1-09</u>   | <u>1-1-10</u>       | <u>1-1-09</u>   | <u>1-1-10</u>       |
| Rural                                  | 469,462,802   | 500,739,954         | 459,059,241   | 490,148,978         |
| Urban                                  | <u>233,065,702</u>  | <u>234,703,350</u>  | <u>230,523,423</u>  | <u>232,020,008</u>  |
| Total                                  | <u>702,528,504</u>  | <u>735,443,304</u>  | <u>689,582,664</u>  | <u>722,168,986</u>  |
| <b>Increase Over<br/>Previous Year</b> | <b>\$64,137,869</b>                                       | <b>\$32,914,800</b> | <b>\$64,746,463</b>   | <b>\$32,586,322</b> |

The total TIF asking from the cities was as follows:

| <u>Taxable Valuation Year</u> | <u>Applicable Increment Value</u> |
|-------------------------------|-----------------------------------|
| 1-1-2009                      | 20,523,500                        |
| 1-1-2010                      | 28,211,000                        |

**Increase in TIF requests** **\$7,687,500**

In addition to the increase in valuation, the residential rollback increased from 48.5299% to 50.7518% - a 2.2219% increase. The residential rollback is the percentage of the valuation of a residence which is taxed.

The county's tax levies are compared as set forth below:

|                                    | <u>2011-2012</u> | <u>2010-2011</u> |
|------------------------------------|------------------|------------------|
| General Basis/General Supplemental | 5.00             | 5.10             |
| MH-DD                              | 1.37             | 1.43             |
| Rural Basic/Rural Supplemental     | 4.35             | 4.48             |
| Debt Service                       | <u>.32</u>       | <u>.34</u>       |
| Total                              | <u>11.04</u>     | <u>11.35</u>     |

Local option sales tax revenue decreased with the County receiving a total of \$577,801 in total for the year.

The State continues to not fully fund credits to taxpayers. Military, Elderly and Disabled credits were at 100%. However, the reduction continued on homestead with the state only funding it at a 63% level.

### **INDIVIDUAL MAJOR FUND ANALYSIS**

Crawford County completed the year with its governmental funds reported combined cash balance of \$7,695,901 a decrease of \$140,753 from the previous year. The county ended the year with a combined fund balance of \$9,028,056, an increase of \$226,979 over the previous year.

The General Fund, as the operating fund for Crawford County, ended FY12 with a cash balance of \$4,228,023, and a fund balance of \$4,597,604.

The Mental Health Fund of the County had an ending fund balance of \$852,400 as of 6-30-12. Future funding for Mental Health will be dependent on actions taken by the State Legislature.

The Rural Services Fund ended FY12 with a fund balance of \$485,200.

Secondary Roads ended FY12 with a fund balance of \$2,745,618. This fund changes due to timing of construction projects. Crawford County maintains 878 miles of gravel roads, has 209 miles of dirt roads and 135 miles of paved roads. Unlike a large number of Iowa counties, Crawford County also has 265 bridges which they maintain. During FY12 Crawford County received Federal and State Funds for flood disaster. Federal and State Funds were received during FYE12 to fund repairs to eligible disaster sites. The county has an entitlement to farm to market funds for secondary road purposes which are administered by the Iowa Department of Transportation. These funds are not included in the County's financial report.

As of 6-30-12, there was a fund balance of \$143,437 in the capital projects fund.

### **GENERAL BUDGETARY HIGHLIGHTS**

The Crawford County budget was amended two times to increase budgeted disbursements by \$1,057,000. The amendments were made August 30, 2011, and April 17, 2012, for a variety of reasons and departments.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

Crawford County ended FY12 with approximately \$59,329,107 invested in a broad range of capital assets. Crawford County excludes any assets under \$5,000. After consideration of accumulated depreciation of \$24,386,073, the government activities capital assets net are \$34,943,034.

#### **Debt**

Crawford County has general obligation bonds outstanding as of the end of FY12 totaling \$1,800,000, of which \$165,000 in principal payments are due during FY13.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Crawford County's 2010 population increased .9% to 17,096 from the 2000 census. 26.7 % of our population is 18 or under and 16.4% is 65 or older. Our population is 71.8% White and 25.3% of Hispanic or Latino origin. There are 6,411 households with a median household income of \$45,423, with 2.57 persons per household. Per capita income for the last 12 months was \$21,422 as compared to a state per capita income of \$26,110. Persons below the poverty level in Crawford County was 12.1% of our population compared to a state average of 11.9%. These numbers come from the Crawford County Quick Facts from the US Census Bureau.

Crawford County workers rely heavily on our food service industries to provide employment for their households. Farmland Foods, Tyson Foods, and Quality Food Processors are large employers of our local workforce and their financial well being is vital to our local economy both individually and agriculturally. The closing of any of these plants would seriously affect our unemployment rate in the county, which has been much lower than the state and national average for the past several years. Tyson Foods Inc. has planned major improvements at its Dakota City beef plant in northeast Nebraska could lead to the closure of a smaller beef plant in Denison, Iowa. The work is scheduled to be finished by mid-2013.

Farms continue to grow larger and farm land values have increased rapidly in the last few years. Prices for corn, soybeans, cattle, and hogs remain at near or record highs.

Wind tower energy production in Crawford County has increased with the addition of 50 new wind tower generators near Schleswig. This is in addition to the 43 towers already generating in the Vail and Westside area. The Amazing Energy Ethanol plant was sold to Anderson's and continues to produce over 60 million gallons of ethanol per year for America's transportation needs.

Crawford County expenditures for all departments for fiscal year ending 2013 are estimated to be \$15,692,958. Expenditures for all departments are estimated to increase \$155,480 for fiscal year ending 2014 to \$15,848,438 this decline is mostly occurring in the secondary road fund. During 2007 and 2008 Crawford County was declared part of 2 federally declared disasters for heavy rains and flooding. FEMA Funds received for those disasters, to make necessary repairs, have been part of the secondary road fund. The final receipts and expenditures connected to these disasters will take place during FYE 13.

Ending fund balances for fiscal year ending 2013 are re-estimated to be \$831,876 lower than actual fiscal year ending 2012. Another \$536,255 is estimated to be taken from ending fund balance for fiscal year ending 2014. The Board will continue to monitor fund balances.

For the past several years Crawford County has seen growth in valuations, allowing levy rates to be reduced.

### **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Crawford County's finances and show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Crawford County Auditor's office, 1202 Broadway, Denison, IA 51442, telephone (712)263-3045.

Crawford County  
Statement of Net Assets  
June 30, 2012

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| Assets   |                                    |
| Cash and pooled investments                      | \$ 8,636,990                       |
| Receivables:                                     |                                    |
| Property tax:                                    |                                    |
| Delinquent                                       | 33,007                             |
| Succeeding year                                  | 7,525,000                          |
| Interest and penalty on property tax             | 133,957                            |
| Accounts   | 43,374                             |
| Accrued interest                                 | 12,986                             |
| Due from other funds                             | 54,537                             |
| Due from other governments                       | 636,052                            |
| Inventories                                      | 1,750,410                          |
| Prepaid insurance                                | 334,200                            |
| Capital assets (net of accumulated depreciation) | 34,943,034                         |
| Debt issue costs                                 | 23,908                             |
| Total assets                                     | <u>54,127,455</u>                  |
| Liabilities                                      |                                    |
| Accounts payable                                 | 793,093                            |
| Accrued interest                                 | 5,913                              |
| Salaries and benefits payable                    | 256,498                            |
| Due to other governments                         | 653,372                            |
| Deferred revenue:                                |                                    |
| Succeeding year property tax                     | 7,525,000                          |
| Long-term liabilities:                           |                                    |
| Portion due or payable within one year:          |                                    |
| General obligation bonds                         | 165,000                            |
| Compensated absences                             | 449,967                            |
| Portion due or payable after one year:           |                                    |
| General obligation bonds                         | <u>1,635,000</u>                   |
| Total liabilities                                | <u>11,483,843</u>                  |

(continued next page)

Crawford County  
Statement of Net Assets - continued  
June 30, 2012

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| Net Assets                                      |                                    |
| Invested in capital assets, net of related debt | \$ 33,166,942                      |
| Restricted for:                                 |                                    |
| Mental health purposes                          | 852,460                            |
| Rural services                                  | 480,753                            |
| Secondary roads purposes                        | 2,538,355                          |
| Other purposes                                  | 1,008,063                          |
| Unrestricted                                    | <u>4,597,039</u>                   |
| Total net assets                                | <u>\$ 42,643,612</u>               |

See notes to financial statements.

Crawford County  
Statement of Activities  
Year ended June 30, 2012

|   | <u>Expenses</u>      | <u>Program<br/>Revenues</u> |
|---|----------------------|-----------------------------|
| Functions/Programs:                       |                      |                             |
| Governmental activities:                  |                      |                             |
| Public safety and legal services          | \$ 1,881,748         | \$ 147,633                  |
| Physical health and social services       | 2,431,452            | 1,170,002                   |
| Mental health                             | 2,162,838            | --                          |
| County environment and education          | 921,561              | 161,661                     |
| Roads and transportation                  | 7,748,355            | 25,775                      |
| Governmental services to residents        | 514,851              | 325,631                     |
| Administration                            | 2,587,392            | 9,280                       |
| Interest on long-term debt                | <u>86,072</u>        | <u>--</u>                   |
| Total                                     | <u>\$ 18,334,269</u> | <u>\$ 1,839,982</u>         |
| General Revenues:                         |                      |                             |
| Property and other county tax levied for: |                      |                             |
| General purposes                          |                      |                             |
| Penalty and interest on property tax      |                      |                             |
| State tax credits                         |                      |                             |
| Local option sales tax                    |                      |                             |
| Unrestricted investment earnings          |                      |                             |
| Miscellaneous                             |                      |                             |
| Total general revenues                    |                      |                             |
| Change in net assets                      |                      |                             |
| Net assets beginning of year              |                      |                             |
| Net assets end of year                    |                      |                             |

See notes to financial statements.



| <u>Program Revenues</u>  |  |  |
|--|--|--|
| <u>Operating Grants,<br/>Contributions<br/>and Restricted<br/>Interest</u> | <u>Capital Grants,<br/>Contributions<br/>and Restricted<br/>Interest</u> | <u>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Assets</u> |
| \$ 64,676  | \$ --  | \$( 1,669,439)   |
| 809,238  | --   | ( 452,212)   |
| 1,231,458  | --   | ( 931,380)   |
| 103,496  | --   | ( 656,404)   |
| 5,207,220  | 690,774  | ( 1,824,586)   |
| 7  | --   | ( 189,213)   |
| 171  | --   | ( 2,577,941)   |
| <u>--</u>  | <u>--</u>  | <u>( 86,072)</u>   |
| <u>\$ 7,416,266</u>  | <u>\$ 690,774</u>  | <u>( 8,387,247)</u>  |

6,915,965  
 50,059  
 252,844  
 505,988  
 121,875  
1,214,276  
  
9,061,007  
  
 673,760  
  
41,969,852  
  
\$ 42,643,612

Crawford County  
Balance Sheet  
Governmental Funds

June 30, 2012

|                                      |                     | Special Revenue     |                     |
|--------------------------------------|---------------------|---------------------|---------------------|
|                                      | General             | Mental Health       | Rural Services      |
| Assets                               |                     |                     |                     |
| Cash and pooled investments          | \$ 4,228,023        | \$ 1,153,155        | \$ 513,151          |
| Receivables:                         |                     |                     |                     |
| Property tax:                        |                     |                     |                     |
| Delinquent                           | 23,739              | 6,489               | 1,220               |
| Succeeding year                      | 3,937,000           | 972,000             | 2,371,000           |
| Interest and penalty on property tax | 133,957             | --                  | --                  |
| Accounts                             | 37,040              | 550                 | --                  |
| Accrued interest                     | 12,986              | --                  | --                  |
| Due from other funds                 | 53,812              | --                  | --                  |
| Due from other governments           | 330,056             | --                  | --                  |
| Inventories                          | --                  | --                  | --                  |
| Prepaid insurance                    | 288,314             | --                  | 2,886               |
| Total assets                         | <u>\$ 9,044,927</u> | <u>\$ 2,132,194</u> | <u>\$ 2,888,257</u> |
| Liabilities and Fund Balances        |                     |                     |                     |
| Liabilities:                         |                     |                     |                     |
| Accounts payable                     | \$ 76,646           | \$ 22,438           | \$ 18,460           |
| Salaries and benefits payable        | 130,251             | 1,687               | 8,640               |
| Due to other governments             | 101,892             | 276,255             | --                  |
| Deferred revenue:                    |                     |                     |                     |
| Succeeding year property tax         | 3,937,000           | 972,000             | 2,371,000           |
| Other                                | 156,732             | 6,416               | 1,065               |
| Compensated absences                 | 44,802              | 998                 | 3,892               |
| Total liabilities                    | <u>4,447,323</u>    | <u>1,279,794</u>    | <u>2,403,057</u>    |

(continued next page)

| <u>Special<br/>Revenue<br/>Secondary<br/>Roads</u> | <u>Nonmajor</u>   | <u>Total</u>         |
|--|-------------------|----------------------|
| \$ 1,454,933                                       | \$ 346,639        | \$ 7,695,901         |
| --   | 1,559             | 33,007               |
| --   | 245,000           | 7,525,000            |
| --   | --                | 133,957              |
| 5,784  | --                | 43,374               |
| --   | --                | 12,986               |
| --   | 725               | 54,537               |
| 295,055  | 10,941            | 636,052              |
| 1,750,410  | --                | 1,750,410            |
| <u>43,000</u>                                      | <u>--</u>         | <u>334,200</u>       |
| <u>\$ 3,549,182</u>                                | <u>\$ 604,864</u> | <u>\$ 18,219,424</u> |

|                |                |                  |
|----------------|----------------|------------------|
| \$ 397,187     | \$ 2,099       | \$ 516,830       |
| 115,920        | --             | 256,498          |
| 266,610        | 8,615          | 653,372          |
| --             | 245,000        | 7,525,000        |
| --             | 1,916          | 166,129          |
| <u>23,847</u>  | <u>--</u>      | <u>73,539</u>    |
| <u>803,564</u> | <u>257,630</u> | <u>9,191,368</u> |

Crawford County  
Balance Sheet  
Governmental Funds - continued

June 30, 2012

|                                     | <u>General</u>      | <u>Special Revenue</u><br><u>Mental Health</u> | <u>Rural Services</u> |
|-------------------------------------|---------------------|--|-----------------------|
| Fund balances:                      |                     |  |                       |
| Nonspendable:                       |                     |  |                       |
| Inventories                         | \$       --         | \$       --                                    | \$       --           |
| Prepaid insurance                   | 288,314             | --   | 2,886                 |
| Restricted for:                     |                     |  |                       |
| Mental health purposes              | --                  | 852,400  | --                    |
| Rural services purposes             | --                  | --   | 482,314               |
| Secondary roads purposes            | --                  | --   | --                    |
| Capital projects                    | --                  | --   | --                    |
| Debt service                        | --                  | --   | --                    |
| Other purposes                      | --                  | --   | --                    |
| Unassigned                          | <u>4,309,290</u>    | <u>--</u>                                      | <u>--</u>             |
| Total fund balances                 | <u>4,597,604</u>    | <u>852,400</u>                                 | <u>485,200</u>        |
| Total liabilities and fund balances | <u>\$ 9,044,927</u> | <u>\$ 2,132,194</u>                            | <u>\$ 2,888,257</u>   |

See notes to financial statements.

## Exhibit C

| <u>Special<br/>Revenue<br/>Secondary<br/>Roads</u> | <u>Nonmajor</u>   | <u>Total</u>         |
|--|-------------------|----------------------|
| \$ 1,750,410                                       | \$ --             | \$ 1,750,410         |
| 43,000   | --                | 334,200              |
| --   | --                | 852,400              |
| --   | --                | 482,314              |
| 952,208  | --                | 952,208              |
| --   | 143,437           | 143,437              |
| --   | 22,623            | 22,623               |
| --   | 181,174           | 181,174              |
| --   | --                | 4,309,290            |
| <u>2,745,618</u>                                   | <u>347,234</u>    | <u>9,028,056</u>     |
| <u>\$ 3,549,182</u>                                | <u>\$ 604,864</u> | <u>\$ 18,219,424</u> |

## Crawford County

Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net Assets

June 30, 2012

|  |                      |
|--|----------------------|
| Total governmental fund balances (page 8)  | \$ 9,028,056         |
| Amounts reported for governmental activities in the statement of net assets are different because:   |                      |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is \$59,329,107 and the accumulated depreciation is \$24,386,073.   | 34,943,034           |
| Unamortized debt issue costs are not a current use of financial resources and, therefore are not reported in the funds.  | 23,908               |
| Assets not available to pay for current period expenditures and, therefore, are deferred in the funds.   | 166,129              |
| The Internal Service Fund is used by management to charge the costs of partial self funding of the County's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets. | 664,826              |
| Accrued interest payable and long-term liabilities, including general obligation bonds, compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.   | ( 2,182,341)         |
| Net assets of governmental activities (page 5)   | <u>\$ 42,643,612</u> |

See notes to financial statements.

Crawford County  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2012

|   | <u>General</u>   | <u>Special Revenue</u><br><u>Mental Health</u> | <u>Rural Services</u> |
|---|------------------|--|-----------------------|
| Revenues:   |                  |  |                       |
| Property and other County tax                             | \$ 3,611,295     | \$ 972,010                                     | \$ 2,105,755          |
| Interest and penalty on property tax                      | 55,693           | --   | --                    |
| Intergovernmental   | 1,984,264        | 1,258,729                                      | 75,541                |
| Licenses and permits                                      | 4,935            | --   | --                    |
| Charges for service                                       | 741,103          | --   | 4,234                 |
| Use of money and property                                 | 106,072          | --   | 5,500                 |
| Miscellaneous   | 42,334           | 8,930  | 52                    |
| Total revenues  | <u>6,545,696</u> | <u>2,239,669</u>                               | <u>2,191,082</u>      |
| Expenditures:   |                  |  |                       |
| Operating:  |                  |  |                       |
| Public safety and legal services                          | 1,769,136        | --   | --                    |
| Physical health and social services                       | 2,416,880        | --   | --                    |
| Mental health   | --               | 2,159,816                                      | --                    |
| County environment and education                          | 572,171          | --   | 324,422               |
| Roads and transportation                                  | 140,092          | --   | 404,887               |
| Governmental services to residents                        | 510,167          | --   | --                    |
| Administration  | 1,103,811        | --   | --                    |
| Debt service  | --               | --   | --                    |
| Capital projects  | 45,668           | --   | --                    |
| Total expenditures  | <u>6,557,925</u> | <u>2,159,816</u>                               | <u>729,309</u>        |
| Excess (deficiency) of revenues over (under) expenditures | <u>( 12,229)</u> | <u>79,853</u>                                  | <u>1,461,773</u>      |

(continued next page)

| <u>Special<br/>Revenue<br/>Secondary<br/>Roads</u> | <u>Nonmajor</u>  | <u>Total</u>      |
|--|------------------|-------------------|
| \$ 501,799   | \$ 238,159       | \$ 7,429,018      |
| --   | --               | 55,693            |
| 5,278,017  | 32,593           | 8,629,144         |
| 3,560  | --               | 8,495             |
| --   | 13,279           | 758,616           |
| --   | 1,769            | 113,341           |
| <u>211,573</u>                                     | <u>13,383</u>    | <u>276,272</u>    |
| <u>5,994,949</u>                                   | <u>299,183</u>   | <u>17,270,579</u> |
| --   | 52,484           | 1,821,620         |
| --   | 22,947           | 2,439,827         |
| --   | --               | 2,159,816         |
| --   | 44,230           | 940,823           |
| 6,840,142  | --               | 7,385,121         |
| --   | 2,119            | 512,286           |
| --   | --               | 1,103,811         |
| --   | 245,060          | 245,060           |
| <u>539,207</u>                                     | <u>--</u>        | <u>584,875</u>    |
| <u>7,379,349</u>                                   | <u>366,840</u>   | <u>17,193,239</u> |
| <u>( 1,384,400)</u>                                | <u>( 67,657)</u> | <u>77,340</u>     |



Crawford County  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - continued  
Governmental Funds

Year ended June 30, 2012

|                                      | <u>General</u>             | <u>Special Revenue</u><br><u>Mental Health</u> | <u>Rural Services</u>    |
|--------------------------------------|----------------------------|--|--------------------------|
| Other financing sources (uses):      |                            |  |                          |
| Sale of capital assets               | \$ 1,501                   | \$ --  | \$ 6,250                 |
| Operating transfers in               | --                         | --   | --                       |
| Operating transfers out              | <u>( 134,173)</u>          | <u>--</u>                                      | <u>( 1,520,000)</u>      |
| Total other financing sources (uses) | <u>( 132,672)</u>          | <u>--</u>                                      | <u>( 1,513,750)</u>      |
| Net change in fund balances          | ( 144,901)                 | 79,853   | ( 51,977)                |
| Fund balances beginning of year      | <u>4,742,505</u>           | <u>772,547</u>                                 | <u>537,177</u>           |
| Fund balances end of year            | <u><u>\$ 4,597,604</u></u> | <u><u>\$ 852,400</u></u>                       | <u><u>\$ 485,200</u></u> |

See notes to financial statements.

| <u>Special<br/>Revenue<br/>Secondary<br/>Roads</u> | <u>Nonmajor</u>   | <u>Total</u>        |
|--|-------------------|---------------------|
| \$ 141,888   | \$ --             | \$ 149,639          |
| 1,622,500  | 38,002            | 1,660,502           |
| <u>--</u>  | <u>( 6,329)</u>   | <u>( 1,660,502)</u> |
| <u>1,764,388</u>                                   | <u>31,673</u>     | <u>149,639</u>      |
| 379,988  | ( 35,984)         | 226,979             |
| <u>2,365,630</u>                                   | <u>383,218</u>    | <u>8,801,077</u>    |
| <u>\$ 2,745,618</u>                                | <u>\$ 347,234</u> | <u>\$ 9,028,056</u> |

## Crawford County

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds to the Statement of Activities

Year ended June 30, 2012

Net change in fund balance - Total governmental funds (page 11) \$ 226,979

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures while  
governmental activities report depreciation expense to allocate  
those expenditures over the life of the assets.

Capital outlays exceeded depreciation expense in the current  
year as follows:

|  |                     |         |
|--|---------------------|---------|
| Expenditures for capital assets  | \$ 2,088,396        |         |
| Capital assets contributed by the Iowa Department<br>of Transportation | 393,382             |         |
| Depreciation expense   | <u>( 1,997,819)</u> | 483,959 |

Proceeds from issuing long-term liabilities provide current  
financial resources to governmental funds, but issuing debt  
increases long-term liabilities in the Statement of Net Assets.  
Repayment of long-term liabilities is an expenditure in the  
governmental funds, but the repayment reduces long-term  
liabilities in the Statement of Net Assets. Current year  
repayments exceeded issues, as follows:

|                |         |
|----------------|---------|
| Principal paid | 160,000 |
|----------------|---------|

In the Statement of Activities, the gain on the disposition of  
capital assets is reported, whereas in the governmental funds,  
the proceeds from the sale increase financial resources.

|                               |           |
|-------------------------------|-----------|
| Book value of disposed assets | ( 15,251) |
|-------------------------------|-----------|

Because some revenues will not be collected for several months  
after the County's year end, they are not considered available  
revenues and are deferred in the governmental funds.

|  |           |
|--|-----------|
| Change in deferred property tax revenues | ( 12,699) |
|--|-----------|

Some expenses reported in the Statement of Activities do not  
require the use of current financial resources and, therefore,  
are not reported as expenditures in governmental funds, as follows:

|                                    |                 |        |
|------------------------------------|-----------------|--------|
| Compensated absences               | 30,891          |        |
| Accrued interest on long-term debt | 359             |        |
| Debt issue costs                   | <u>( 1,371)</u> | 29,879 |

The Internal Service Fund is used by management to charge the costs  
of employee health benefits to individual funds. The net revenue of  
the Internal Service Fund is reported with governmental activities.

|  |                   |
|--|-------------------|
|  | <u>( 199,107)</u> |
|--|-------------------|

|  |                   |
|--|-------------------|
| Change in net assets of governmental activities (page 6) | <u>\$ 673,760</u> |
|--|-------------------|

See notes to financial statements.

Crawford County  
Statement of Net Assets  
Proprietary Fund

June 30, 2012

|                           | Internal<br>Service -<br>Employee<br>Group<br>Health |
|---------------------------|--|
| Assets                    |  |
| Cash and cash equivalents | <u>\$ 941,089</u>                                    |
| Total assets              | 941,089  |
| Liabilities               |  |
| Accounts payable          | <u>276,263</u>                                       |
| Net Assets                |  |
| Unrestricted              | <u><u>\$ 664,826</u></u>                             |

See notes to financial statements.

Crawford County  
Statement of Revenues, Expenses, and Changes  
in Fund Net Assets  
Proprietary Fund

Year ended June 30, 2012

|   |                | Internal<br>Service -<br>Employee<br>Group<br>Health |
|---|----------------|--|
| Operating revenues:                           |                |  |
| Reimbursements from operating funds           |                | \$ 1,102,000   |
| Reimbursements from employees and others      |                | <u>111,431</u>                                       |
| Total operating revenues                      |                | 1,213,431  |
| Operating expenses:                           |                |  |
| Medical claims                                | \$ 785,491     |  |
| Administrative fees and insurance<br>premiums | <u>635,995</u> | <u>1,421,486</u>                                     |
| Operating loss                                |                | ( 208,055)   |
| Non-operating revenues:                       |                |  |
| Interest on investments                       |                | <u>8,948</u>   |
| Net loss                                      |                | ( 199,107)   |
| Net assets beginning of year                  |                | <u>863,933</u>                                       |
| Net assets end of year                        |                | <u>\$ 664,826</u>                                    |

See notes to financial statements.

Crawford County  
Statement of Cash Flows  
Proprietary Fund  
Year ended June 30, 2012

|  | Internal<br>Service -<br>Employee<br>Group<br>Health |
|--|--|
| Cash flows from operating activities:  |  |
| Cash received from operating fund reimbursements                                     | \$ 1,102,000   |
| Cash received from employees and others  | 111,431  |
| Cash payments to suppliers for services  | <u>( 1,227,118)</u>                                  |
| Net cash used in operating activities  | ( 13,687)  |
| Cash flows from investing activities:  |  |
| Interest on investments  | <u>8,948</u>   |
| Net decrease in cash and cash equivalents  | ( 4,739)   |
| Cash and cash equivalents at beginning of year                                       | <u>945,828</u>                                       |
| Cash and cash equivalents at end of year   | <u><u>\$ 941,089</u></u>                             |
| Reconciliation of operating loss to net cash<br>used in operating activities:        |  |
| Operating loss   | \$( 208,055)   |
| Adjustments to reconcile operating loss to<br>net cash used in operating activities: |  |
| Increase in accounts payable   | <u>194,368</u>                                       |
| Net cash used in operating activities  | <u><u>\$( 13,687)</u></u>                            |

See notes to financial statements.

Crawford County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2012

Assets

Cash and pooled investments:

|                        |              |
|------------------------|--------------|
| County Treasurer       | \$ 1,182,612 |
| Other County officials | 80,462       |

Receivables:

Property tax:

|                 |            |
|-----------------|------------|
| Delinquent      | 162,342    |
| Succeeding year | 16,548,000 |

|          |        |
|----------|--------|
| Accounts | 10,319 |
|----------|--------|

|                  |   |
|------------------|---|
| Accrued interest | 1 |
|------------------|---|

|                     |        |
|---------------------|--------|
| Special assessments | 73,000 |
|---------------------|--------|

|                      |     |
|----------------------|-----|
| Due from other funds | 215 |
|----------------------|-----|

|                            |        |
|----------------------------|--------|
| Due from other governments | 10,504 |
|----------------------------|--------|

|              |                   |
|--------------|-------------------|
| Total assets | <u>18,067,455</u> |
|--------------|-------------------|

Liabilities

|                  |        |
|------------------|--------|
| Accounts payable | 22,647 |
|------------------|--------|

|                               |        |
|-------------------------------|--------|
| Salaries and benefits payable | 16,044 |
|-------------------------------|--------|

|                    |        |
|--------------------|--------|
| Due to other funds | 54,752 |
|--------------------|--------|

|                          |            |
|--------------------------|------------|
| Due to other governments | 17,940,152 |
|--------------------------|------------|

|                |        |
|----------------|--------|
| Trusts payable | 32,041 |
|----------------|--------|

|                      |       |
|----------------------|-------|
| Compensated absences | 1,819 |
|----------------------|-------|

|                   |                   |
|-------------------|-------------------|
| Total liabilities | <u>18,067,455</u> |
|-------------------|-------------------|

|            |              |
|------------|--------------|
| Net assets | <u>\$ --</u> |
|------------|--------------|

See notes to financial statements.

## Crawford County

### Notes to Financial Statements

June 30, 2012

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

The County's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

##### A. Reporting Entity

For financial reporting purposes, Crawford County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Crawford County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units - The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Nine drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Crawford County Board of Supervisors. These drainage districts are reported as a Special Revenue Fund. Financial information for the individual drainage districts can be obtained from the Crawford County Auditor's office.



Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Related Organizations - The County Board of Supervisors are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The Board of Supervisors appoint three of the five members to the board of the Crawford County Area Solid Waste Agency Commission. An audit of this Commission is performed and filed under separate cover. Financial transactions of this organization are included in the County's financial statements only to the extent of the County's fiduciary relationship with the Commission and, as such, are reported in an Agency Fund of the County.

Jointly Governed Organizations - The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Crawford County Assessor's Conference Board, Crawford County Joint E911 Service Board and Crawford County Emergency Management Services Commission. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in Agency Funds of the County.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by property tax, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents the County's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories.

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, which can be removed or modified.

Crawford County  
Notes to Financial Statements  
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Mental Health Fund is used to account for property tax and other revenues to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the county outside of incorporated city areas.

The Secondary Roads Fund is used to account for the road use tax allocation from the State of Iowa, required transfers from the General and the Special Revenue, Rural Services Funds and other revenues to be used for secondary road construction and maintenance.

Additionally, the County reports the following funds:

Proprietary Fund - An Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost reimbursement basis.

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary Funds - Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the County's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The proprietary fund of the County applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Internal Service Fund are charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents - The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Crawford County  
Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2010 assessed property valuations; is for the tax accrual period July 1, 2011 through June 30, 2012 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2011.

Interest and Penalty on Property Tax Receivable - Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Due from and Due to Other Funds - During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital Assets - Capital assets, which include property, equipment and vehicles, and infrastructure assets acquired after July 1, 1980 (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the County), are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

| <u>Asset Class</u>                | <u>Amount</u> |
|-----------------------------------|---------------|
| Infrastructure                    | \$ 50,000     |
| Land, buildings, and improvements | 25,000        |
| Intangibles                       | 25,000        |
| Equipment and vehicles            | 5,000         |

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital assets of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u>    | <u>Estimated<br/>Useful<br/>Lives<br/>(In Years)</u> |
|-----------------------|--|
| Buildings             | 40 - 50  |
| Building improvements | 20 - 50  |
| Infrastructure        | 30 - 50  |
| Intangibles           | 5 - 20   |
| Equipment             | 2 - 20   |
| Vehicles              | 3 - 10   |

Due to Other Governments - Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable - Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue consists of unspent grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

Deferred revenue in the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and unspent grant proceeds.

Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2012. The compensated absences liability attributable to the governmental activities will be paid primarily by the General, Mental Health, Rural Services and Secondary Roads Funds.

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financial sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Supervisors through ordinance or resolution approved prior to year end. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts the Board of Supervisors intend to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

Net Assets - The net assets of the Internal Service, Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 2 - CASH AND POOLED INVESTMENTS

The County's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The County had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$64,434 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk. The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the County.

Credit risk. The investment in Iowa Public Agency Investment Trust is unrated.

Concentration of credit risk. The County places no limit on the amount that may be invested in any one issuer.



Crawford County  
Notes to Financial Statements  
June 30, 2012

NOTE 3 - DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2012 is as follows:

| <u>Receivable Fund</u>                    | <u>Payable Fund</u>      | <u>Amount</u>    |
|---|--------------------------|------------------|
| General                                   | Agency:                  |                  |
|   | County Sheriff           | \$ 2,292         |
|   | County Recorder          | 38,187           |
|   | Auto License and Use Tax | <u>13,333</u>    |
|   |                          | 53,812           |
| Special Revenue:                          | Agency:                  |                  |
| County Recorder's Records Management      | County Recorder          | 725              |
| Agency:                                   | Agency:                  |                  |
| County Recorder's Electronic Transfer Fee | County Recorder          | <u>215</u>       |
| Total                                     |                          | <u>\$ 54,752</u> |

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

NOTE 4 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

| <u>Transfer to</u>           | <u>Transfer from</u> | <u>Amount</u>       |
|------------------------------|----------------------|---------------------|
| Special Revenue:             |                      |                     |
| Secondary Roads              | General              | \$ 122,500          |
|                              | Special Revenue:     |                     |
|                              | Rural Services       | <u>1,500,000</u>    |
|                              |                      | 1,622,500           |
| Special Revenue:             |                      |                     |
| REAP                         | General              | 11,673              |
| Special Revenue:             | Special Revenue:     |                     |
| Law Enforcement Forfeiture   | Sheriff Forfeiture   | 1,668               |
| Special Revenue:             | Special Revenue:     |                     |
| Flood and Erosion            | Rural Services       | 20,000              |
| Special Revenue:             | Special Revenue:     |                     |
| Federal Drug Forfeiture Fund | Drug Forfeiture Fund | <u>4,661</u>        |
| Total                        |                      | <u>\$ 1,660,502</u> |

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Crawford County  
Notes to Financial Statements

June 30, 2012

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 was as follows:

|   | Balance<br>Beginning<br>of Year | Increases           | Decreases           | Balance<br>End<br>of Year |
|---|---------------------------------|---------------------|---------------------|---------------------------|
| Governmental activities:                                    |                                 |                     |                     |                           |
| Capital assets not being<br>depreciated/amortized:          |                                 |                     |                     |                           |
| Land  | \$ 580,322                      | \$ 45,668           | \$ --               | \$ 625,990                |
| Construction in progress                                    | --                              | 1,054,583           | 1,054,583           | --                        |
| Total capital assets not<br>being depreciated/<br>amortized | <u>580,322</u>                  | <u>1,100,251</u>    | <u>1,054,583</u>    | <u>625,990</u>            |
| Capital assets being<br>depreciated/amortized:              |                                 |                     |                     |                           |
| Buildings   | 4,424,535                       | 284,488             | --                  | 4,709,023                 |
| Equipment and vehicles                                      | 8,974,955                       | 1,097,039           | 381,921             | 9,690,073                 |
| Infrastructure, road network                                | 43,249,438                      | 1,054,583           | --                  | 44,304,021                |
| Total capital assets being<br>depreciated/amortized         | <u>56,648,928</u>               | <u>2,436,110</u>    | <u>381,921</u>      | <u>58,703,117</u>         |
| Less accumulated depreciation<br>for:                       |                                 |                     |                     |                           |
| Buildings   | 1,156,045                       | 112,635             | --                  | 1,268,680                 |
| Equipment and vehicles                                      | 5,362,484                       | 647,234             | 366,670             | 5,643,048                 |
| Infrastructure, road network                                | 16,236,395                      | 1,237,950           | --                  | 17,474,345                |
| Total accumulated<br>depreciation/amortization              | <u>22,754,924</u>               | <u>1,997,819</u>    | <u>366,670</u>      | <u>24,386,073</u>         |
| Total capital assets being<br>depreciated/amortized, net    | <u>33,894,004</u>               | <u>438,291</u>      | <u>15,251</u>       | <u>34,317,044</u>         |
| Governmental activities capital<br>assets, net              | <u>\$ 34,474,326</u>            | <u>\$ 1,538,542</u> | <u>\$ 1,069,834</u> | <u>\$ 34,943,034</u>      |

Crawford County  
Notes to Financial Statements  
June 30, 2012

NOTE 5 - CAPITAL ASSETS - continued

Depreciation/amortization expense was charged to the following functions:

|  |                    |
|--|--------------------|
| Governmental activities:                             |                    |
| Public safety and legal services                     | \$ 117,396         |
| Mental health  | 893                |
| County environment and education                     | 25,923             |
| Roads and transportation                             | 1,783,044          |
| Administrative services                              | <u>70,563</u>      |
| Total depreciation expense - governmental activities | <u>\$1,997,819</u> |

NOTE 6 - DUE TO OTHER GOVERNMENTS

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. Tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

| <u>Fund</u>                  | <u>Description</u> | <u>Amount</u>        |
|------------------------------|--------------------|----------------------|
| General                      | Services           | \$ 101,892           |
| Special Revenue:             |                    |                      |
| Mental Health                |                    | 276,255              |
| Secondary Roads              |                    | 266,610              |
| All Other                    |                    | <u>8,615</u>         |
|                              |                    | <u>551,480</u>       |
| Total for governmental funds |                    | <u>\$ 653,372</u>    |
| Agency:                      |                    |                      |
| County Assessor              | Collections        | \$ 503,410           |
| Schools                      |                    | 9,757,672            |
| Community Colleges           |                    | 559,679              |
| Corporations                 |                    | 4,706,950            |
| Townships                    |                    | 225,604              |
| Auto License and Use Tax     |                    | 366,532              |
| County Hospital              |                    | 1,129,547            |
| E-911                        |                    | 192,058              |
| All Other                    |                    | <u>498,700</u>       |
| Total for agency funds       |                    | <u>\$ 17,940,152</u> |

Crawford County  
Notes to Financial Statements

June 30, 2012

NOTE 7 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2012 is as follows:

|                           | General<br>Obligation<br>Bonds | Compensated<br>Absences | Total               |
|---------------------------|--------------------------------|-------------------------|---------------------|
| Balance beginning of year | \$ 1,960,000                   | \$ 489,006              | \$ 2,449,006        |
| Decreases                 | <u>160,000</u>                 | <u>39,039</u>           | <u>199,039</u>      |
| Balance end of year       | <u>\$ 1,800,000</u>            | <u>\$ 449,967</u>       | <u>\$ 2,249,967</u> |
| Due within one year       | <u>\$ 165,000</u>              | <u>\$ 449,967</u>       | <u>\$ 614,967</u>   |

Bonds Payable

A summary of the County's June 30, 2012 general obligation bonded indebtedness is as follows:

| June 30,  | Rates        | Principal           | Interest          | Total               |
|-----------|--------------|---------------------|-------------------|---------------------|
| 2013      | 3.10 - 4.20% | \$ 165,000          | \$ 78,260         | \$ 243,260          |
| 2014      | 3.25 - 4.25  | 170,000             | 72,155            | 242,155             |
| 2015      | 3.40 - 4.30  | 180,000             | 65,680            | 245,680             |
| 2016      | 4.35         | 105,000             | 58,660            | 163,660             |
| 2017      | 4.40         | 110,000             | 56,513            | 166,513             |
| 2018-2022 | 4.45 - 4.60  | 625,000             | 186,777           | 811,777             |
| 2023-2025 | 4.65 - 4.75  | <u>445,000</u>      | <u>45,802</u>     | <u>490,802</u>      |
|           |              | <u>\$ 1,800,000</u> | <u>\$ 563,847</u> | <u>\$ 2,363,847</u> |

During the year ended June 30, 2012, the County retired \$160,000 of bonds.

NOTE 8 - PENSION AND RETIREMENT BENEFITS

The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Crawford County  
Notes to Financial Statements

June 30, 2012

NOTE 8 - PENSION AND RETIREMENT BENEFITS - Continued

Most regular plan members are required to contribute 5.38% (5.78% beginning July 1, 2012) of their annual covered salary and the County is required to contribute 8.07% (8.67% beginning July 1, 2012) of covered salary. Certain employees in special risk occupations and the County contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The County's contributions to IPERS for the years ended June 30, 2012, 2011, and 2010 were approximately \$423,300, \$369,400, and \$340,500, respectively, equal to the required contributions for each year.

NOTE 9 - RISK MANAGEMENT

Crawford County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 663 members from various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expense and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2012 were approximately \$136,600.

Crawford County  
Notes to Financial Statements

June 30, 2012

NOTE 9 - RISK MANAGEMENT - continued

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by The Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2012, no liability has been recorded in the County's financial statements. As of June 30, 2012, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$300,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 10 - EMPLOYEE HEALTH INSURANCE PLAN

The Internal Service, Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Wellmark. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$35,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Wellmark from the Employee Group Health Fund. The County's contribution for the year ended June 30, 2012 was \$1,102,000.

Accounts payable from the Employee Group Health Fund at June 30, 2012 total \$276,263, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$664,826 at June 30, 2012 and is reported as net assets of the Internal Service, Employee Group Health Fund. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. A reconciliation of changes in the aggregate liability for claims for the current year is as follows:

|   |                   |
|---|-------------------|
| Estimated unpaid claims beginning of year                                     | \$ 81,895         |
| Incurred claims (including claims incurred but not reported at June 30, 2012) | 785,491           |
| Total payments  | <u>( 591,123)</u> |
| Estimated unpaid claims end of year   | <u>\$ 276,263</u> |

Crawford County

Notes to Financial Statements

June 30, 2012

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: As required by state law, the County offers health insurance to former employees who have retired after age 55, but have not reached Medicare eligibility. The partially self-funded plan is a part of the plan offered to all County employees, and the retiree must pay a health insurance premium equal to that charged for current employees. There are currently approximately 110 active employees and one retiree currently covered by the Plan.

Potential for Liability: The County currently finances a retiree benefit plan on a pay-as-you-go basis. A review of the County's current and potential future exposure to this requirement resulted in the conclusion that no material liability exists.

NOTE 12 - CONTINGENCY

Subsequent Events

The County has evaluated all subsequent events through February 25, 2013, the date the financial statements were available to be issued.

\* \* \*



## REQUIRED SUPPLEMENTARY INFORMATION

Crawford County

Budgetary Comparison Schedule of Receipts, Disbursements and  
Changes in Balances - Budget and Actual (Cash Basis)

All Governmental Funds  
Required Supplementary Information

Year ended June 30, 2012

|  | <u>Actual</u>       | <u>Less<br/>Funds not<br/>Required to<br/>be Budgeted</u> | <u>Net</u>          |
|--|---------------------|---|---------------------|
| Receipts:  |                     |   |                     |
| Property and other County tax  | \$ 7,434,851        | \$ --   | \$ 7,434,851        |
| Interest and penalty on property tax   | 56,190              | --  | 56,190              |
| Intergovernmental  | 7,882,033           | --  | 7,882,033           |
| Licenses and permits   | 10,375              | --  | 10,375              |
| Charges for service  | 732,934             | --  | 732,934             |
| Use of money and property  | 127,229             | --  | 127,229             |
| Miscellaneous  | 290,830             | --  | 290,830             |
| Total receipts   | <u>16,534,442</u>   | <u>--</u>   | <u>16,534,442</u>   |
| Disbursements:   |                     |   |                     |
| Public safety and legal services   | 1,809,777           | --  | 1,809,777           |
| Physical health and social services  | 2,452,091           | --  | 2,452,091           |
| Mental health  | 2,104,990           | --  | 2,104,990           |
| County environment and education   | 921,191             | 386   | 920,805             |
| Roads and transportation   | 7,039,065           | --  | 7,039,065           |
| Governmental services to residents   | 507,579             | --  | 507,579             |
| Administration   | 1,159,072           | --  | 1,159,072           |
| Debt service   | 245,060             | --  | 245,060             |
| Capital projects   | 586,009             | --  | 586,009             |
| Total disbursements  | <u>16,824,834</u>   | <u>386</u>  | <u>16,824,448</u>   |
| Excess (deficiency) of receipts over<br>(under) disbursements  | ( 290,392)          | ( 386)  | ( 290,006)          |
| Other financing sources, net   | <u>149,639</u>      | <u>--</u>   | <u>149,639</u>      |
| Excess (deficiency) of receipts and<br>other financing sources over<br>(under) disbursements and other<br>financing uses | ( 140,753)          | ( 386)  | ( 140,367)          |
| Balance beginning of year  | <u>7,836,654</u>    | <u>14,521</u>   | <u>7,822,133</u>    |
| Balance end of year  | <u>\$ 7,695,901</u> | <u>\$ 14,135</u>  | <u>\$ 7,681,766</u> |

See accompanying independent auditor's report.

| Budgeted Amounts    |                     | Final to              |
|---------------------|---------------------|-----------------------|
| Original            | Final               | Net<br>Variance       |
| \$ 7,484,979        | \$ 7,484,979        | \$ 50,128             |
| 47,000              | 47,000              | ( 9,190)              |
| 6,782,055           | 7,744,855           | ( 137,178)            |
| 4,500               | 9,500               | ( 875)                |
| 648,297             | 648,297             | ( 84,637)             |
| 132,366             | 132,366             | 5,137                 |
| 126,150             | 279,250             | ( 11,580)             |
| <u>15,225,347</u>   | <u>16,346,247</u>   | <u>( 188,195)</u>     |
| 1,987,140           | 1,987,140           | 177,363               |
| 2,607,434           | 2,607,434           | 155,343               |
| 2,253,471           | 2,253,471           | 148,481               |
| 903,786             | 945,786             | 24,981                |
| 6,345,000           | 7,089,000           | 49,935                |
| 573,389             | 573,389             | 65,810                |
| 1,251,437           | 1,251,437           | 92,365                |
| 246,000             | 246,000             | 940                   |
| 412,000             | 683,000             | 96,991                |
| <u>16,579,657</u>   | <u>17,636,657</u>   | <u>812,209</u>        |
| ( 1,354,310)        | ( 1,290,410)        | ( 1,000,404)          |
| <u>26,500</u>       | <u>149,800</u>      | <u>161</u>            |
| ( 1,327,810)        | ( 1,140,610)        | ( 1,000,243)          |
| <u>6,398,606</u>    | <u>7,820,540</u>    | <u>( 1,593)</u>       |
| <u>\$ 5,070,796</u> | <u>\$ 6,679,930</u> | <u>\$( 1,001,836)</u> |

Crawford County  
 Budgetary Comparison Schedule -Budget to GAAP Reconciliation  
 Required Supplementary Information  
 Year ended June 30, 2012

|                              | Governmental Fund Types |                        |                              |
|------------------------------|-------------------------|------------------------|------------------------------|
|                              | Cash<br>Basis           | Accrual<br>Adjustments | Modified<br>Accrual<br>Basis |
| Revenues                     | \$ 16,534,442           | \$ 736,137             | \$ 17,270,579                |
| Expenditures                 | <u>16,824,834</u>       | <u>368,405</u>         | <u>17,193,239</u>            |
| Net                          | ( 290,392)              | 367,732                | 77,340                       |
| Other financing sources, net | 149,639                 | --                     | 149,639                      |
| Beginning fund balances      | <u>7,836,654</u>        | <u>964,423</u>         | <u>8,801,077</u>             |
| Ending fund balances         | <u>\$ 7,695,901</u>     | <u>\$ 1,332,155</u>    | <u>\$ 9,028,056</u>          |

See accompanying independent auditor's report.

## Crawford County

### Notes to Required Supplementary Information - Budgetary Reporting

June 30, 2012

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units, the internal service fund, and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon ten major classes of expenditures known as functions, not by fund. These ten functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$1,057,000. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

## OTHER SUPPLEMENTARY INFORMATION

Crawford County  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2012

|  | Special Revenue                               |  |  |                       |
|--|---|--|--|-----------------------|
|  | County<br>Recorder's<br>Records<br>Management | Recorder's<br>Electronic<br>Transaction<br>Fee | Conservation<br>Land<br>Acquisition<br>Trust | Conservation<br>Trust |
| <b>Assets</b>                          |   |  |  |                       |
| Cash and pooled investments            | \$ 16,262                                     | \$ 815   | \$ 160                                       | \$ 8,868              |
| Receivables:                           |   |  |  |                       |
| Property tax:                          |   |  |  |                       |
| Delinquent                             | --  | --   | --   | --                    |
| Succeeding year                        | --  | --   | --   | --                    |
| Due from other funds                   | 725   | --   | --   | --                    |
| Due from other governments             | --  | --   | --   | --                    |
| Total assets                           | <u>\$ 16,987</u>                              | <u>\$ 815</u>                                  | <u>\$ 160</u>                                | <u>\$ 8,868</u>       |
| <b>Liabilities and Fund Balances</b>   |   |  |  |                       |
| <b>Liabilities:</b>                    |   |  |  |                       |
| Accounts payable                       | \$ --   | \$ --  | \$ --  | \$ --                 |
| Due to other governments               | --  | --   | --   | --                    |
| Deferred revenue:                      |   |  |  |                       |
| Succeeding year property tax           | --  | --   | --   | --                    |
| Other                                  | --  | --   | --   | --                    |
| Total liabilities                      | <u>--</u>                                     | <u>--</u>                                      | <u>--</u>                                    | <u>--</u>             |
| <b>Fund balances:</b>                  |   |  |  |                       |
| Restricted for:                        |   |  |  |                       |
| Capital projects                       | --  | --   | --   | --                    |
| Debt service                           | --  | --   | --   | --                    |
| Other purposes                         | 16,987  | 815  | 160  | 8,868                 |
| Total fund balances                    | <u>16,987</u>                                 | <u>815</u>                                     | <u>160</u>                                   | <u>8,868</u>          |
| Total liabilities and fund<br>balances | <u>\$ 16,987</u>                              | <u>\$ 815</u>                                  | <u>\$ 160</u>                                | <u>\$ 8,868</u>       |

(continued next page)

| Special Revenue                              |                                  |                                  |                       |                                       |                         |
|--|----------------------------------|----------------------------------|-----------------------|---------------------------------------|-------------------------|
| Resource<br>Enhancement<br>and<br>Protection | Law<br>Enforcement<br>Forfeiture | County<br>Attorney<br>Forfeiture | Sheriff<br>Forfeiture | Federal<br>Drug<br>Forfeiture<br>Fund | Flood<br>and<br>Erosion |
| \$ 5,720                                     | \$ --                            | \$ 1,400                         | \$ 11,740             | \$ 4,677                              | \$ 65,635               |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| <u>\$ 5,720</u>                              | <u>\$ --</u>                     | <u>\$ 1,400</u>                  | <u>\$ 11,740</u>      | <u>\$ 4,677</u>                       | <u>\$ 65,635</u>        |
| \$ --  | \$ --                            | \$ --                            | \$ --                 | \$ --                                 | \$ --                   |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| <u>5,720</u>                                 | <u>--</u>                        | <u>1,400</u>                     | <u>11,740</u>         | <u>4,677</u>                          | <u>65,635</u>           |
| <u>5,720</u>                                 | <u>--</u>                        | <u>1,400</u>                     | <u>11,740</u>         | <u>4,677</u>                          | <u>65,635</u>           |
| <u>\$ 5,720</u>                              | <u>\$ --</u>                     | <u>\$ 1,400</u>                  | <u>\$ 11,740</u>      | <u>\$ 4,677</u>                       | <u>\$ 65,635</u>        |



Crawford County  
Combining Balance Sheet - Continued  
Nonmajor Governmental Funds

June 30, 2012

|                                     | Special Revenue       |                  |   |
|-------------------------------------|-----------------------|------------------|---|
|                                     | Drainage<br>Districts | Cabin<br>Fund    | Supplemental<br>Environment<br>Projects |
| Assets                              |                       |                  |   |
| Cash and pooled investments         | \$ 14,135             | \$ 46,573        | \$ 59                                   |
| Receivables:                        |                       |                  |   |
| Property tax:                       |                       |                  |   |
| Delinquent                          | --                    | --               | --                                      |
| Succeeding year                     | --                    | --               | --                                      |
| Due from other funds                | --                    | --               | --                                      |
| Due from other governments          | --                    | --               | --                                      |
| Total assets                        | <u>\$ 14,135</u>      | <u>\$ 46,573</u> | <u>\$ 59</u>                            |
| Liabilities and Fund Balances       |                       |                  |   |
| Liabilities:                        |                       |                  |   |
| Accounts payable                    | \$ --                 | \$ 102           | \$ --                                   |
| Due to other governments            | --                    | 172              | --                                      |
| Deferred revenue:                   |                       |                  |   |
| Succeeding year property tax        | --                    | --               | --                                      |
| Other                               | --                    | --               | --                                      |
| Total liabilities                   | <u>--</u>             | <u>274</u>       | <u>--</u>                               |
| Fund balances:                      |                       |                  |   |
| Reserved for:                       |                       |                  |   |
| Capital projects                    | --                    | --               | --                                      |
| Debt service                        | --                    | --               | --                                      |
| Other purposes                      | 14,135                | 46,299           | 59                                      |
| Total fund balances                 | <u>14,135</u>         | <u>46,299</u>    | <u>59</u>                               |
| Total liabilities and fund balances | <u>\$ 14,135</u>      | <u>\$ 46,573</u> | <u>\$ 59</u>                            |

See accompanying independent auditor's report.

| Special Revenue               |                        |                  |                     |                   |                   |
|-------------------------------|------------------------|------------------|---------------------|-------------------|-------------------|
| Juvenile<br>Court<br>Division | Protecting<br>Children | Baby<br>Boutique | Capital<br>Projects | Debt<br>Service   | Total             |
| \$ 748                        | \$ --                  | \$ 3,430         | \$ 143,437          | \$ 22,980         | \$ 346,639        |
| --                            | --                     | --               | --                  | 1,559             | 1,559             |
| --                            | --                     | --               | --                  | 245,000           | 245,000           |
| --                            | --                     | --               | --                  | --                | 725               |
| --                            | 10,941                 | --               | --                  | --                | 10,941            |
| <u>\$ 748</u>                 | <u>\$ 10,941</u>       | <u>\$ 3,430</u>  | <u>\$ 143,437</u>   | <u>\$ 269,539</u> | <u>\$ 604,864</u> |
|                               |                        |                  |                     |                   |                   |
| \$ --                         | \$ 1,997               | \$ --            | \$ --               | \$ --             | \$ 2,099          |
| --                            | 8,443                  | --               | --                  | --                | 8,615             |
| --                            | --                     | --               | --                  | 245,000           | 245,000           |
| --                            | --                     | --               | --                  | 1,916             | 1,916             |
| <u>--</u>                     | <u>10,440</u>          | <u>--</u>        | <u>--</u>           | <u>246,916</u>    | <u>257,630</u>    |
|                               |                        |                  |                     |                   |                   |
| --                            | --                     | --               | 143,437             | --                | 143,437           |
| --                            | --                     | --               | --                  | 22,623            | 22,623            |
| 748                           | 501                    | 3,430            | --                  | --                | 181,174           |
| <u>748</u>                    | <u>501</u>             | <u>3,430</u>     | <u>143,437</u>      | <u>22,623</u>     | <u>347,234</u>    |
| <u>\$ 748</u>                 | <u>\$ 10,941</u>       | <u>\$ 3,430</u>  | <u>\$ 143,437</u>   | <u>\$ 269,539</u> | <u>\$ 604,864</u> |

Crawford County  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds

Year ended June 30, 2012

|  | Special Revenue                               |  |  |                       |
|--|---|--|--|-----------------------|
|  | County<br>Recorder's<br>Records<br>Management | Recorder's<br>Electronic<br>Transaction<br>Fee | Conservation<br>Land<br>Acquisition<br>Trust | Conservation<br>Trust |
| Revenues:  |   |  |  |                       |
| Property and other County tax                                | \$ --   | \$ --  | \$ --  | \$ --                 |
| Intergovernmental  | --  | --   | --   | --                    |
| Charges for service  | 3,193   | --   | --   | --                    |
| Use of money and property                                    | 3   | 4  | 1  | 49                    |
| Miscellaneous  | --  | --   | --   | --                    |
| Total revenues   | <u>3,196</u>                                  | <u>4</u>                                       | <u>1</u>                                     | <u>49</u>             |
| Expenditures:  |   |  |  |                       |
| Operating:   |   |  |  |                       |
| Public safety and legal<br>services                          | --  | --   | --   | --                    |
| Physical health and social<br>services                       | --  | --   | --   | --                    |
| County environment and<br>education                          | --  | --   | --   | --                    |
| Governmental services to<br>residents                        | 2,119   | --   | --   | --                    |
| Debt service   | --  | --   | --   | --                    |
| Total expenditures   | <u>2,119</u>                                  | <u>--</u>                                      | <u>--</u>                                    | <u>--</u>             |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1,077   | 4  | 1  | 49                    |
| Other financing sources (uses):                              |   |  |  |                       |
| Operating transfers in                                       | --  | --   | --   | --                    |
| Operating transfers out                                      | --  | --   | --   | --                    |
| Total other financing sources<br>(uses)                      | <u>--</u>                                     | <u>--</u>                                      | <u>--</u>                                    | <u>--</u>             |
| Net change in fund balances                                  | 1,077   | 4  | 1  | 49                    |
| Fund balances beginning of year                              | <u>15,910</u>                                 | <u>811</u>                                     | <u>159</u>                                   | <u>8,819</u>          |
| Fund balances end of year                                    | <u>\$ 16,987</u>                              | <u>\$ 815</u>                                  | <u>\$ 160</u>                                | <u>\$ 8,868</u>       |

(continued next page)

| Special Revenue                              |                                  |                                  |                       |                                       |                         |
|--|----------------------------------|----------------------------------|-----------------------|---------------------------------------|-------------------------|
| Resource<br>Enhancement<br>and<br>Protection | Law<br>Enforcement<br>Forfeiture | County<br>Attorney<br>Forfeiture | Sheriff<br>Forfeiture | Federal<br>Drug<br>Forfeiture<br>Fund | Flood<br>and<br>Erosion |
| \$ --  | \$ --                            | \$ --                            | \$ --                 | \$ --                                 | \$ --                   |
| --   | 1,732                            | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| 115  | 43                               | 21                               | 158                   | 16                                    | --                      |
| --   | --                               | 3,000                            | 10,373                | --                                    | --                      |
| <u>115</u>                                   | <u>1,775</u>                     | <u>3,021</u>                     | <u>10,531</u>         | <u>16</u>                             | <u>--</u>               |
|  |                                  |                                  |                       |                                       |                         |
| --   | 18,148                           | 6,164                            | 28,172                | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| 23,987                                       | --                               | --                               | --                    | --                                    | 17,095                  |
| --   | --                               | --                               | --                    | --                                    | --                      |
| --   | --                               | --                               | --                    | --                                    | --                      |
| <u>23,987</u>                                | <u>18,148</u>                    | <u>6,164</u>                     | <u>28,172</u>         | <u>--</u>                             | <u>17,095</u>           |
|  |                                  |                                  |                       |                                       |                         |
| ( 23,872)                                    | ( 16,373)                        | ( 3,143)                         | ( 17,641)             | 16                                    | ( 17,095)               |
|  |                                  |                                  |                       |                                       |                         |
| 11,673                                       | 1,668                            | --                               | --                    | 4,661                                 | 20,000                  |
| --   | ( 4,661)                         | --                               | ( 1,668)              | --                                    | --                      |
| <u>11,673</u>                                | <u>( 2,993)</u>                  | <u>--</u>                        | <u>( 1,668)</u>       | <u>4,661</u>                          | <u>20,000</u>           |
|  |                                  |                                  |                       |                                       |                         |
| ( 12,199)                                    | ( 19,366)                        | ( 3,143)                         | ( 19,309)             | 4,677                                 | 2,905                   |
| <u>17,919</u>                                | <u>19,366</u>                    | <u>4,543</u>                     | <u>31,049</u>         | <u>--</u>                             | <u>62,730</u>           |
|  |                                  |                                  |                       |                                       |                         |
| <u>\$ 5,720</u>                              | <u>\$ --</u>                     | <u>\$ 1,400</u>                  | <u>\$ 11,740</u>      | <u>\$ 4,677</u>                       | <u>\$ 65,635</u>        |

Crawford County  
Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Continued  
Nonmajor Governmental Funds

Year ended June 30, 2012

|  | Special Revenue       |                  |   |
|--|-----------------------|------------------|---|
|  | Drainage<br>Districts | Cabin<br>Fund    | Supplemental<br>Environment<br>Projects |
| Revenues:  |                       |                  |   |
| Property and other County tax                                | \$ --                 | \$ 474           | \$ --                                   |
| Intergovernmental  | --                    | --               | --                                      |
| Charges for service  | --                    | 10,086           | --                                      |
| Use of money and property                                    | --                    | --               | --                                      |
| Miscellaneous  | --                    | --               | --                                      |
| Total revenues   | <u>--</u>             | <u>10,560</u>    | <u>--</u>                               |
| Expenditures:  |                       |                  |   |
| Operating:   |                       |                  |   |
| Public safety and legal services                             | --                    | --               | --                                      |
| Physical health and social<br>services                       | --                    | --               | --                                      |
| County environment and<br>education                          | 386                   | 2,762            | --                                      |
| Governmental services to<br>residents                        | --                    | --               | --                                      |
| Debt service   | --                    | --               | --                                      |
| Total expenditures   | <u>386</u>            | <u>2,762</u>     | <u>--</u>                               |
| Excess (deficiency) of revenues over<br>(under) expenditures | ( 386)                | 7,798            | --                                      |
| Other financing sources (uses):                              |                       |                  |   |
| Operating transfers in                                       | --                    | --               | --                                      |
| Operating transfers out                                      | --                    | --               | --                                      |
| Total other financing sources (uses)                         | <u>--</u>             | <u>--</u>        | <u>--</u>                               |
| Net change in fund balances                                  | ( 386)                | 7,798            | --                                      |
| Fund balances beginning of year                              | <u>14,521</u>         | <u>38,501</u>    | <u>59</u>                               |
| Fund balances end of year                                    | <u>\$ 14,135</u>      | <u>\$ 46,299</u> | <u>\$ 59</u>                            |

See accompanying independent auditor's report.

| Special Revenue               |                        |                  |                     |                  |                   |
|-------------------------------|------------------------|------------------|---------------------|------------------|-------------------|
| Juvenile<br>Court<br>Division | Protecting<br>Children | Baby<br>Boutique | Capital<br>Projects | Debt<br>Service  | Total             |
| \$ --                         | \$ --                  | \$ --            | \$ --               | \$ 237,685       | \$ 238,159        |
| --                            | 21,958                 | 232              | --                  | 8,671            | 32,593            |
| --                            | --                     | --               | --                  | --               | 13,279            |
| 4                             | --                     | --               | 791                 | 564              | 1,769             |
| --                            | --                     | 10               | --                  | --               | 13,383            |
| <u>4</u>                      | <u>21,958</u>          | <u>242</u>       | <u>791</u>          | <u>246,920</u>   | <u>299,183</u>    |
| --                            | --                     | --               | --                  | --               | 52,484            |
| --                            | 22,947                 | --               | --                  | --               | 22,947            |
| --                            | --                     | --               | --                  | --               | 44,230            |
| --                            | --                     | --               | --                  | --               | 2,119             |
| --                            | --                     | --               | --                  | 245,060          | 245,060           |
| <u>--</u>                     | <u>22,947</u>          | <u>--</u>        | <u>--</u>           | <u>245,060</u>   | <u>366,840</u>    |
| 4                             | ( 989)                 | 242              | 791                 | 1,860            | ( 67,657)         |
| --                            | --                     | --               | --                  | --               | 38,002            |
| <u>--</u>                     | <u>--</u>              | <u>--</u>        | <u>--</u>           | <u>--</u>        | <u>( 6,329)</u>   |
| <u>--</u>                     | <u>--</u>              | <u>--</u>        | <u>--</u>           | <u>--</u>        | <u>31,673</u>     |
| 4                             | ( 989)                 | 242              | 791                 | 1,860            | ( 35,984)         |
| <u>744</u>                    | <u>1,490</u>           | <u>3,188</u>     | <u>142,646</u>      | <u>20,763</u>    | <u>383,218</u>    |
| <u>\$ 748</u>                 | <u>\$ 501</u>          | <u>\$ 3,430</u>  | <u>\$ 143,437</u>   | <u>\$ 22,623</u> | <u>\$ 347,234</u> |

Crawford County  
Combining Schedule of Fiduciary Assets and Liabilities  
Agency Funds

June 30, 2012

|                               | <u>County Offices</u>      |                           |                                | <u>Agricultural<br/>Extension<br/>Education</u> |
|-------------------------------|----------------------------|---------------------------|--------------------------------|---|
|                               | <u>County<br/>Recorder</u> | <u>County<br/>Sheriff</u> | <u>County<br/>Conservation</u> |   |
| <b>Assets</b>                 |                            |                           |                                |   |
| Cash and pooled investments:  |                            |                           |                                |   |
| County Treasurer              | \$ --                      | \$ --                     | \$ --                          | \$ 1,683  |
| Other County officials        | 42,957                     | 15,809                    | 21,696                         | --  |
| Receivables:                  |                            |                           |                                |   |
| Property tax:                 |                            |                           |                                |   |
| Delinquent                    | --                         | --                        | --                             | 1,033   |
| Succeeding year               | --                         | --                        | --                             | 154,000   |
| Accounts                      | 81                         | --                        | --                             | --  |
| Accrued interest              | --                         | --                        | --                             | --  |
| Special assessments           | --                         | --                        | --                             | --  |
| Due from other funds          | --                         | --                        | --                             | --  |
| Due from other governments    | --                         | --                        | --                             | --  |
|                               | <u>--</u>                  | <u>--</u>                 | <u>--</u>                      | <u>--</u>                                       |
| Total assets                  | <u>\$ 43,038</u>           | <u>\$ 15,809</u>          | <u>\$ 21,696</u>               | <u>\$ 156,716</u>                               |
| <b>Liabilities</b>            |                            |                           |                                |   |
| Liabilities:                  |                            |                           |                                |   |
| Accounts payable              | \$ --                      | \$ --                     | \$ --                          | \$ --   |
| Salaries and benefits payable | --                         | --                        | --                             | --  |
| Due to other funds            | 39,127                     | 2,292                     | --                             | --  |
| Due to other governments      | 3,911                      | 80                        | 3,092                          | 156,716   |
| Trusts payable                | --                         | 13,437                    | 18,604                         | --  |
| Compensated absences          | --                         | --                        | --                             | --  |
|                               | <u>--</u>                  | <u>--</u>                 | <u>--</u>                      | <u>--</u>                                       |
| Total liabilities             | <u>\$ 43,038</u>           | <u>\$ 15,809</u>          | <u>\$ 21,696</u>               | <u>\$ 156,716</u>                               |

(continued next page)

## Schedule 3

| <u>County<br/>Assessor</u> | <u>Emergency<br/>Management<br/>Services</u> | <u>Sanitary<br/>Disposal<br/>District</u> | <u>Schools</u>      | <u>Community<br/>Colleges</u> | <u>Corporations</u> |
|----------------------------|--|---|---------------------|-------------------------------|---------------------|
| \$ 165,983                 | \$ 27,618                                    | \$ 52,410                                 | \$ 104,210          | \$ 5,981                      | \$ 45,486           |
| --                         | --   | --  | --                  | --                            | --                  |
| 2,115                      | --   | --  | 67,462              | 3,698                         | 80,464              |
| 342,000                    | --   | --  | 9,586,000           | 550,000                       | 4,581,000           |
| --                         | --   | --  | --                  | --                            | --                  |
| --                         | --   | --  | --                  | --                            | --                  |
| --                         | --   | --  | --                  | --                            | --                  |
| --                         | --   | --  | --                  | --                            | --                  |
| <u>--</u>                  | <u>--</u>                                    | <u>--</u>                                 | <u>--</u>           | <u>--</u>                     | <u>--</u>           |
| <u>\$ 510,098</u>          | <u>\$ 27,618</u>                             | <u>\$ 52,410</u>                          | <u>\$ 9,757,672</u> | <u>\$ 559,679</u>             | <u>\$ 4,706,950</u> |
|                            |  |   |                     |                               |                     |
| \$ --                      | \$ --  | \$ 18,749                                 | \$ --               | \$ --                         | \$ --               |
| 4,869                      | 912  | 10,263                                    | --                  | --                            | --                  |
| --                         | --   | --  | --                  | --                            | --                  |
| 503,410                    | 26,706                                       | 23,398                                    | 9,757,672           | 559,679                       | 4,706,950           |
| --                         | --   | --  | --                  | --                            | --                  |
| 1,819                      | --   | --  | --                  | --                            | --                  |
| <u>\$ 510,098</u>          | <u>\$ 27,618</u>                             | <u>\$ 52,410</u>                          | <u>\$ 9,757,672</u> | <u>\$ 559,679</u>             | <u>\$ 4,706,950</u> |



Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued  
Agency Funds

June 30, 2012

|                               | <u>Townships</u>  | <u>Auto<br/>License and<br/>Use Tax</u> | <u>Brucellosis<br/>and<br/>Tuberculosis<br/>Eradication</u> |
|-------------------------------|-------------------|---|---|
| <b>Assets</b>                 |                   |   |   |
| Cash and pooled investments:  |                   |   |   |
| County Treasurer              | \$ 2,483          | \$ 379,865                              | \$ 433  |
| Other County officials        | --                | --                                      | --  |
| Receivables:                  |                   |   |   |
| Property tax:                 |                   |   |   |
| Delinquent                    | 121               | --                                      | 15  |
| Succeeding year               | 223,000           | --                                      | 2,000   |
| Accounts                      | --                | --                                      | --  |
| Accrued interest              | --                | --                                      | --  |
| Special assessments           | --                | --                                      | --  |
| Due from other funds          | --                | --                                      | --  |
| Due from other governments    | --                | --                                      | --  |
|                               | <u>--</u>         | <u>--</u>                               | <u>--</u>   |
| Total assets                  | <u>\$ 225,604</u> | <u>\$ 379,865</u>                       | <u>\$ 2,448</u>   |
| <b>Liabilities</b>            |                   |   |   |
| Accounts payable              | \$ --             | \$ --                                   | \$ --   |
| Salaries and benefits payable | --                | --                                      | --  |
| Due to other funds            | --                | 13,333                                  | --  |
| Due to other governments      | 225,604           | 366,532                                 | 2,448   |
| Trusts payable                | --                | --                                      | --  |
| Compensated absences          | --                | --                                      | --  |
|                               | <u>--</u>         | <u>--</u>                               | <u>--</u>   |
| Total liabilities             | <u>\$ 225,604</u> | <u>\$ 379,865</u>                       | <u>\$ 2,448</u>   |

(continued next page)

| <u>Anatomical<br/>Gift Public<br/>Awareness and<br/>Transportation</u> | <u>Monies<br/>and<br/>Credits</u> | <u>City<br/>Special<br/>Assessments</u> | <u>County<br/>Hospital</u> | <u>Wellness</u> | <u>Flex<br/>Benefits</u> |
|--|-----------------------------------|---|----------------------------|-----------------|--------------------------|
| \$ 39  | \$ --                             | \$ 166                                  | \$ 12,113                  | \$ 2,519        | \$ 4,429                 |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | 7,434                      | --              | --                       |
| --   | --                                | --                                      | 1,110,000                  | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | 73,000                                  | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| <u>39</u>  | <u>--</u>                         | <u>73,166</u>                           | <u>1,129,547</u>           | <u>2,519</u>    | <u>4,429</u>             |
| \$ 39  | \$ --                             | \$ 73,166                               | \$ 1,129,547               | \$ 2,519        | \$ 4,429                 |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| 39   | --                                | 73,166                                  | 1,129,547                  | 2,519           | 4,429                    |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| <u>39</u>  | <u>--</u>                         | <u>73,166</u>                           | <u>1,129,547</u>           | <u>2,519</u>    | <u>4,429</u>             |
| \$ 39  | \$ --                             | \$ 73,166                               | \$ 1,129,547               | \$ 2,519        | \$ 4,429                 |

Crawford County

Combining Schedule of Fiduciary Assets and Liabilities - Continued  
Agency Funds

June 30, 2012

|                               | <u>E911</u>       | <u>Ground<br/>Water<br/>Protection</u> | <u>Advance<br/>Tax</u> |
|-------------------------------|-------------------|--|------------------------|
| Assets                        |                   |  |                        |
| Cash and pooled investments:  |                   |  |                        |
| County Treasurer              | \$ 175,046        | \$ 155,620                             | \$ 45,674              |
| Other County officials        | --                | --                                     | --                     |
| Receivables:                  |                   |  |                        |
| Property tax:                 |                   |  |                        |
| Delinquent                    | --                | --                                     | --                     |
| Succeeding year               | --                | --                                     | --                     |
| Accounts                      | 10,238            | --                                     | --                     |
| Accrued interest              | --                | --                                     | --                     |
| Special assessments           | --                | --                                     | --                     |
| Due from other funds          | --                | --                                     | --                     |
| Due from other governments    | <u>10,504</u>     | <u>--</u>                              | <u>--</u>              |
| Total assets                  | <u>\$ 195,788</u> | <u>\$ 155,620</u>                      | <u>\$ 45,674</u>       |
| Liabilities                   |                   |  |                        |
| Liabilities:                  |                   |  |                        |
| Accounts payable              | \$ 3,730          | \$ 168                                 | \$ --                  |
| Salaries and benefits payable | --                | --                                     | --                     |
| Due to other funds            | --                | --                                     | --                     |
| Due to other governments      | 192,058           | 155,452                                | 45,674                 |
| Trusts payable                | --                | --                                     | --                     |
| Compensated absences          | <u>--</u>         | <u>--</u>                              | <u>--</u>              |
| Total liabilities             | <u>\$ 195,788</u> | <u>\$ 155,620</u>                      | <u>\$ 45,674</u>       |

See accompanying independent auditor's report.

| <u>Unclaimed<br/>Property</u> | <u>Unapportioned<br/>Tax</u> | <u>Recorder's<br/>Electronic<br/>Transfer Fee</u> | <u>Total</u>         |
|-------------------------------|------------------------------|---|----------------------|
| \$ 262                        | \$ 324                       | \$ 268  | \$ 1,182,612         |
| --                            | --                           | --  | 80,462               |
| --                            | --                           | --  | 162,342              |
| --                            | --                           | --  | 16,548,000           |
| --                            | --                           | --  | 10,319               |
| --                            | --                           | 1   | 1                    |
| --                            | --                           | --  | 73,000               |
| --                            | --                           | 215   | 215                  |
| --                            | --                           | --  | 10,504               |
| <u>\$ 262</u>                 | <u>\$ 324</u>                | <u>\$ 484</u>                                     | <u>\$ 18,067,455</u> |
| \$ --                         | \$ --                        | \$ --   | \$ 22,647            |
| --                            | --                           | --  | 16,044               |
| --                            | --                           | --  | 54,752               |
| 262                           | 324                          | 484   | 17,940,152           |
| --                            | --                           | --  | 32,041               |
| --                            | --                           | --  | 1,819                |
| <u>\$ 262</u>                 | <u>\$ 324</u>                | <u>\$ 484</u>                                     | <u>\$ 18,067,455</u> |

Crawford County  
Combining Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Funds

Year ended June 30, 2012

| Assets and Liabilities             | County Offices     |                   |                        | Agricultural<br>Extension<br>Education |
|------------------------------------|--------------------|-------------------|------------------------|--|
|                                    | County<br>Recorder | County<br>Sheriff | County<br>Conservation |  |
| Balances beginning of year         | \$ 30,313          | \$ 14,630         | \$ 2,381               | \$ 157,244                             |
| Additions:                         |                    |                   |                        |  |
| Property and other County tax      | --                 | --                | --                     | 154,548                                |
| E911 surcharge                     | --                 | --                | --                     | --                                     |
| State tax credits                  | --                 | --                | --                     | 5,762                                  |
| Office fees and collections        | 311,231            | 218,276           | --                     | --                                     |
| Auto licenses, use tax and postage | --                 | --                | --                     | --                                     |
| Assessments                        | --                 | --                | --                     | --                                     |
| Trusts                             | --                 | --                | --                     | --                                     |
| Miscellaneous                      | --                 | --                | 156,373                | --                                     |
| Total additions                    | <u>311,231</u>     | <u>218,276</u>    | <u>156,373</u>         | <u>160,310</u>                         |
| Deductions:                        |                    |                   |                        |  |
| Agency Remittances:                |                    |                   |                        |  |
| To other funds                     | 102,890            | 74,983            | --                     | --                                     |
| To other governments               | 195,616            | --                | 137,058                | 160,838                                |
| Trusts paid out                    | --                 | 142,114           | --                     | --                                     |
| Total deductions                   | <u>298,506</u>     | <u>217,097</u>    | <u>137,058</u>         | <u>160,838</u>                         |
| Balances end of year               | <u>\$ 43,038</u>   | <u>\$ 15,809</u>  | <u>\$ 21,696</u>       | <u>\$ 156,716</u>                      |

(continued next page)

## Schedule 4

| <u>County<br/>Assessor</u> | <u>Emergency<br/>Management<br/>Services</u> | <u>Sanitary<br/>Disposal<br/>District</u> | <u>Schools</u>   | <u>Community<br/>Colleges</u> | <u>Corporations</u> |
|----------------------------|--|---|------------------|-------------------------------|---------------------|
| \$ 476,143                 | \$ 37,586                                    | \$ 60,528                                 | \$9,796,658      | \$ 562,215                    | \$ 4,741,429        |
| 342,301                    | --   | --  | 9,601,398        | 550,604                       | 4,538,590           |
| --                         | --   | --  | --               | --                            | --                  |
| 11,798                     | --   | --  | 356,310          | 20,487                        | 149,888             |
| 1,346                      | --   | --  | --               | --                            | --                  |
| --                         | --   | --  | --               | --                            | --                  |
| --                         | --   | --  | --               | --                            | --                  |
| --                         | --   | --  | --               | --                            | --                  |
| 2,005                      | 43,600                                       | 850,306                                   | --               | --                            | --                  |
| <u>357,450</u>             | <u>43,600</u>                                | <u>850,306</u>                            | <u>9,957,708</u> | <u>571,091</u>                | <u>4,688,478</u>    |
| --                         | --   | --  | --               | --                            | --                  |
| 323,495                    | 53,568                                       | 858,424                                   | 9,996,694        | 573,627                       | 4,722,957           |
| --                         | --   | --  | --               | --                            | --                  |
| <u>323,495</u>             | <u>53,568</u>                                | <u>858,424</u>                            | <u>9,996,694</u> | <u>573,627</u>                | <u>4,722,957</u>    |
| \$ 510,098                 | \$ 27,618                                    | \$ 52,410                                 | \$9,757,672      | \$ 559,679                    | \$ 4,706,950        |

Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued  
Agency Funds

Year ended June 30, 2012

|                                    | <u>Townships</u>  | <u>Auto<br/>License and<br/>Use Tax</u> | <u>Brucellosis<br/>and<br/>Tuberculosis<br/>Eradication</u> |
|------------------------------------|-------------------|---|---|
| Assets and Liabilities             |                   |   |   |
| Balance beginning of year          | \$ 225,644        | \$ 383,334                              | \$ 2,403  |
| Additions:                         |                   |   |   |
| Property and other County tax      | 224,208           | --                                      | 2,272   |
| E911 surcharge                     | --                | --                                      | --  |
| State tax credits                  | 8,162             | --                                      | 85  |
| Office fees and collections        | --                | --                                      | --  |
| Auto licenses, use tax and postage | --                | 4,952,921                               | --  |
| Assessments                        | --                | --                                      | --  |
| Trusts                             | --                | --                                      | --  |
| Miscellaneous                      | --                | --                                      | --  |
| Total additions                    | <u>232,370</u>    | <u>4,952,921</u>                        | <u>2,357</u>  |
| Deductions:                        |                   |   |   |
| Agency Remittances:                |                   |   |   |
| To other funds                     | --                | 180,460                                 | --  |
| To other governments               | 232,410           | 4,775,930                               | 2,312   |
| Trusts paid out                    | --                | --                                      | --  |
| Total deductions                   | <u>232,410</u>    | <u>4,956,390</u>                        | <u>2,312</u>  |
| Balance end of year                | <u>\$ 225,604</u> | <u>\$ 379,865</u>                       | <u>\$ 2,448</u>   |

(continued next page)

| <u>Anatomical<br/>Gift Public<br/>Awareness and<br/>Transportation</u> | <u>Monies<br/>and<br/>Credits</u> | <u>City<br/>Special<br/>Assessments</u> | <u>County<br/>Hospital</u> | <u>Wellness</u> | <u>Flex<br/>Benefits</u> |
|--|-----------------------------------|---|----------------------------|-----------------|--------------------------|
| \$ 6   | \$ --                             | \$ 73,606                               | \$ 1,133,473               | \$ 2,722        | \$ 3,949                 |
| --   | --                                | --                                      | 1,112,228                  | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | 41,471                     | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | --              | --                       |
| --   | --                                | 45,769                                  | --                         | --              | --                       |
| --   | --                                | --                                      | --                         | 2,901           | 32,096                   |
| 137  | 49                                | --                                      | --                         | 4,500           | --                       |
| <u>137</u>   | <u>49</u>                         | <u>45,769</u>                           | <u>1,153,699</u>           | <u>7,401</u>    | <u>32,096</u>            |
| --   | --                                | --                                      | --                         | --              | --                       |
| 104  | 49                                | 46,209                                  | 1,157,625                  | 7,604           | 31,616                   |
| --   | --                                | --                                      | --                         | --              | --                       |
| <u>104</u>   | <u>49</u>                         | <u>46,209</u>                           | <u>1,157,625</u>           | <u>7,604</u>    | <u>31,616</u>            |
| <u>\$ 39</u>   | <u>\$ --</u>                      | <u>\$ 73,166</u>                        | <u>\$ 1,129,547</u>        | <u>\$ 2,519</u> | <u>\$ 4,429</u>          |



Crawford County

Combining Schedule of Changes in Fiduciary Assets and Liabilities - Continued  
Agency Funds

Year ended June 30, 2012

|                                    | <u>E911</u>       | <u>Ground<br/>Water<br/>Protection</u> | <u>Advance<br/>Tax</u> |
|------------------------------------|-------------------|--|------------------------|
| Assets and Liabilities             |                   |  |                        |
| Balance beginning of year          | \$ 239,611        | \$ 167,442                             | \$ 50,380              |
| Additions:                         |                   |  |                        |
| Property and other County tax      | --                | --                                     | --                     |
| E911 surcharge                     | 129,650           | --                                     | --                     |
| State tax credits                  | --                | --                                     | --                     |
| Office fees and collections        | --                | --                                     | --                     |
| Auto licenses, use tax and postage | --                | --                                     | --                     |
| Assessments                        | --                | --                                     | --                     |
| Trusts                             | --                | --                                     | --                     |
| Miscellaneous                      | 3,785             | --                                     | 40,058                 |
| Total additions                    | <u>133,435</u>    | <u>--</u>                              | <u>40,058</u>          |
| Deductions:                        |                   |  |                        |
| Agency Remittances:                |                   |  |                        |
| To other funds                     | --                | --                                     | 44,764                 |
| To other governments               | 177,258           | 11,822                                 | --                     |
| Trusts paid out                    | --                | --                                     | --                     |
| Total deductions                   | <u>177,258</u>    | <u>11,822</u>                          | <u>44,764</u>          |
| Balance end of year                | <u>\$ 195,788</u> | <u>\$ 155,620</u>                      | <u>\$ 45,674</u>       |

See accompanying independent auditor's report.

| <u>Unclaimed<br/>Property</u> | <u>Unapportioned<br/>Tax</u> | <u>Recorder's<br/>Electronic<br/>Transfer Fee</u> | <u>Total</u>  |
|-------------------------------|------------------------------|---|---------------|
| \$ 262                        | \$ 324                       | \$ 1,501  | \$ 18,163,784 |
| --                            | --                           | --  | 16,526,149    |
| --                            | --                           | --  | 129,650       |
| --                            | --                           | --  | 593,963       |
| --                            | --                           | --  | 530,853       |
| --                            | --                           | --  | 4,952,921     |
| --                            | --                           | --  | 45,769        |
| --                            | --                           | --  | 34,997        |
| --                            | 141,728                      | 3,148   | 1,245,689     |
| --                            | 141,728                      | 3,148   | 24,059,991    |
| --                            | --                           | --  | 403,097       |
| --                            | --                           | 4,165   | 23,469,381    |
| --                            | 141,728                      | --  | 283,842       |
| --                            | 141,728                      | 4,165   | 24,156,320    |
| \$ 262                        | \$ 324                       | \$ 484  | \$ 18,067,455 |

Crawford County

Schedule of Revenues by Source and Expenditures by Function -  
All Governmental Fund Types

For the Last Ten Years

|                          | Modified Accrual Basis |                      |                      |                      |
|--------------------------|------------------------|----------------------|----------------------|----------------------|
|                          | 2012                   | 2011                 | 2010                 | 2009                 |
| Revenues:                |                        |                      |                      |                      |
| Property and other       |                        |                      |                      |                      |
| County tax               | \$ 7,429,018           | \$ 7,403,977         | \$ 6,969,027         | \$ 6,712,622         |
| Interest and penalty on  |                        |                      |                      |                      |
| property tax             | 55,693                 | 55,069               | 48,956               | 45,885               |
| Intergovernmental        | 8,629,144              | 6,792,858            | 8,740,517            | 8,580,817            |
| Licenses and permits     | 8,495                  | 24,594               | 6,138                | 9,254                |
| Charges for service      | 758,616                | 730,090              | 706,840              | 670,965              |
| Use of money and         |                        |                      |                      |                      |
| property                 | 113,341                | 116,743              | 173,852              | 240,718              |
| Miscellaneous            | <u>276,272</u>         | <u>233,075</u>       | <u>299,939</u>       | <u>291,007</u>       |
| Total                    | <u>\$ 17,270,579</u>   | <u>\$ 15,356,406</u> | <u>\$ 16,945,269</u> | <u>\$ 16,551,268</u> |
| Expenditures:            |                        |                      |                      |                      |
| Operating:               |                        |                      |                      |                      |
| Public safety and        |                        |                      |                      |                      |
| legal services           | \$ 1,821,620           | \$ 1,790,287         | \$ 1,745,314         | \$ 1,599,327         |
| Physical health and      |                        |                      |                      |                      |
| social services          | 2,439,827              | 2,477,501            | 2,447,304            | 2,381,322            |
| Mental health            | 2,159,816              | 1,648,364            | 1,577,899            | 2,047,478            |
| County environment       |                        |                      |                      |                      |
| and education            | 940,823                | 846,583              | 993,945              | 818,877              |
| Roads and transportation | 7,385,121              | 6,628,529            | 7,307,254            | 5,958,056            |
| Governmental services    |                        |                      |                      |                      |
| to residents             | 512,286                | 494,213              | 457,774              | 453,933              |
| Administration           | 1,103,811              | 1,136,314            | 1,060,903            | 1,001,091            |
| Debt service             | 245,060                | 245,370              | 238,315              | 240,241              |
| Capital projects         | <u>584,875</u>         | <u>1,339,714</u>     | <u>647,832</u>       | <u>1,827,693</u>     |
| Total                    | <u>\$ 17,193,239</u>   | <u>\$ 16,606,875</u> | <u>\$ 16,476,540</u> | <u>\$ 16,328,018</u> |

See accompanying independent auditor's report.

| Modified Accrual Basis |                      |                      |                      |                      |                      |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008                   | 2007                 | 2006                 | 2005                 | 2004                 | 2003                 |
| \$ 6,255,519           | \$ 6,074,600         | \$ 5,711,887         | \$ 5,238,989         | \$ 5,724,994         | \$ 5,292,615         |
| 43,272                 | 45,138               | 58,660               | 43,123               | 44,277               | 45,129               |
| 7,628,573              | 5,968,333            | 5,879,284            | 5,683,927            | 5,362,296            | 6,801,515            |
| 18,661                 | 20,507               | 14,102               | 12,652               | 18,132               | 9,435                |
| 731,999                | 745,267              | 689,576              | 636,837              | 811,236              | 784,755              |
| 371,905                | 464,425              | 277,622              | 145,849              | 109,660              | 151,950              |
| <u>210,276</u>         | <u>181,042</u>       | <u>182,906</u>       | <u>142,985</u>       | <u>129,161</u>       | <u>142,284</u>       |
| <u>\$ 15,260,205</u>   | <u>\$ 13,499,312</u> | <u>\$ 12,814,037</u> | <u>\$ 11,904,362</u> | <u>\$ 12,199,756</u> | <u>\$ 13,227,683</u> |
|                        |                      |                      |                      |                      |                      |
| \$ 1,374,429           | \$ 1,323,978         | \$ 1,392,514         | \$ 1,196,624         | \$ 1,238,426         | \$ 1,208,540         |
| 2,117,423              | 1,937,106            | 1,762,934            | 1,810,576            | 2,094,590            | 2,392,605            |
| 2,020,335              | 1,940,034            | 1,900,663            | 1,861,221            | 1,477,461            | 1,652,928            |
| 741,682                | 742,239              | 693,790              | 700,049              | 807,359              | 878,356              |
| 5,233,883              | 4,889,258            | 4,870,293            | 4,512,066            | 4,241,540            | 4,056,496            |
| 439,657                | 440,859              | 584,440              | 503,515              | 421,462              | 388,965              |
| 1,201,701              | 945,125              | 941,027              | 901,395              | 981,590              | 1,667,688            |
| 172,827                | 159,956              | --                   | --                   | --                   | 521                  |
| <u>989,297</u>         | <u>2,477,310</u>     | <u>1,124,439</u>     | <u>841,801</u>       | <u>702,852</u>       | <u>336,720</u>       |
| <u>\$ 14,291,234</u>   | <u>\$ 14,855,865</u> | <u>\$ 13,270,100</u> | <u>\$ 12,327,247</u> | <u>\$ 11,965,280</u> | <u>\$ 12,582,819</u> |

Crawford County  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2012

| <u>Grantor/Program</u>  | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Program<br/>Expenditures</u> |
|---|------------------------|--|---------------------------------|
| Direct:   |                        |  |                                 |
| U.S. Department of Justice:   |                        |  |                                 |
| State Criminal Alien Assistance Program   | 16.606                 |  | \$ 3,567                        |
| Justice Assistance Grant Program  | 16.803                 |  | <u>194</u>                      |
|   |                        |  | 3,761                           |
| Indirect:   |                        |  |                                 |
| U.S. Department of Agriculture:   |                        |  |                                 |
| Iowa Department of Human Services:  |                        |  |                                 |
| State Administrative Matching Grants for the<br>Supplemental Nutrition Assistance Program                     | 10.561                 |  | 15,604                          |
| Hungry Canyons Alliance:  |                        |  |                                 |
| Soil and Water Conservation   | 10.902                 |  | 97,203                          |
| U.S. Department of Justice:   |                        |  |                                 |
| Iowa Department of Justice:   |                        |  |                                 |
| Crime Victim Assistance   | 16.575                 | VA-12-20                                     | 4,481                           |
| U.S. Department of Transportation:  |                        |  |                                 |
| Iowa Department of Transportation:  |                        |  |                                 |
| Highway Planning and Construction<br>(Federal-Aid Highway Program)  | 20.205                 | BROS-24(99)-8J-24                            | 192,163                         |
| U.S. Department of Health and Human Services:   |                        |  |                                 |
| Iowa Department of Elder Affairs:   |                        |  |                                 |
| Elderbridge Area Agency on Aging:   |                        |  |                                 |
| Special Programs for the Aging - Title III,<br>Part B - Grants for Supportive Services and<br>Senior Citizens | 93.044                 |  | 1,223                           |
| Iowa Department of Public Health:   |                        |  |                                 |
| Public Health Emergency Preparedness  | 93.069                 | 5882BT24                                     | 37,333                          |
| Family Planning - Services  | 93.217                 | 5882MH08/<br>5881MH08                        | 70,047                          |
| Immunization Grants   | 93.268                 | 5882I421/<br>5881I421                        | 5,553                           |

(continued next page)

## Crawford County

## Schedule of Expenditures of Federal Awards - Continued

Year ended June 30, 2012

| <u>Grantor/Program</u>                        | <u>CFDA<br/>Number</u> | <u>Agency or<br/>Pass-through<br/>Number</u> | <u>Program<br/>Expenditures</u> |
|---|------------------------|--|---------------------------------|
| Indirect (continued):                         |                        |  |                                 |
| Cass County Memorial Hospital:                |                        |  |                                 |
| Centers for Disease Control and Prevention -  |                        |  |                                 |
| Investigations and Technical Assistance       | 93.283                 | 5881NB06                                     | \$ 9,779                        |
| Promoting Safe and Stable Families            | 93.556                 |  | 6,116                           |
| Harrison, Monona, Shelby Empowerment          |                        |  |                                 |
| Area Board:                                   |                        |  |                                 |
| Child Care and Development Block Grant        | 93.575                 | HMS-11-08                                    | 13,249                          |
| Buena Vista, Crawford, and Sac Counties       |                        |  |                                 |
| Community Empowerment Area:                   |                        |  |                                 |
| Child Care and Development Block Grant        | 93.575                 |  | 15,467                          |
|   |                        |  | <u>28,716</u>                   |
| Maternal and Child Health Services            |                        |  |                                 |
| Block Grant to the States                     | 93.994                 | 5882MH08/<br>5881MH08                        | 52,195                          |
| Iowa Department of Human Services:            |                        |  |                                 |
| Human Services Administrative Reimbursements: |                        |  |                                 |
| Refugee and Entrance Assistance - State-      |                        |  |                                 |
| Administered Programs                         | 93.566                 |  | 37                              |
| Child Care Mandatory and Matching Funds       |                        |  |                                 |
| of the Child Care and Development Fund        | 93.596                 |  | 2,811                           |
| Foster Care - Title IV-E                      | 93.658                 |  | 5,576                           |
| Adoption Assistance - Title IV-E              | 93.659                 |  | 1,691                           |
| Children's Health Insurance Program (CHIP)    | 93.767                 |  | 55                              |
| Medical Assistance Program (Medicaid,         |                        |  |                                 |
| Title XIX)                                    | 93.778                 |  | 14,741                          |
| Social Services Block Grant                   | 93.667                 |  | 5,192                           |
| Social Services Block Grant                   | 93.667                 |  | 6,050                           |
| Social Services Block Grant                   | 93.667                 |  | 69,204                          |
|   |                        |  | <u>80,446</u>                   |
| Iowa Child Abuse Prevention Program           | 93.556                 |  | 19,051                          |
| Prevent Child Abuse Iowa                      | 93.556                 |  | 2,907                           |
|   |                        |  | <u>21,958</u>                   |
| U.S. Department of Homeland Security:         |                        |  |                                 |
| Iowa Department of Public Defense:            |                        |  |                                 |
| Iowa Homeland Security and Emergency          |                        |  |                                 |
| Management Division:                          |                        |  |                                 |
| Disaster Grants - Public Assistance           |                        |  |                                 |
| (Presidentially Declared Disasters)           | 97.036                 | DR/DR1880/DR1763                             | 222,745                         |
|   |                        |  | <u>870,473</u>                  |
| Total   |                        |  | <u>\$ 874,234</u>               |

Basis of Presentation -The Schedule of Expenditures of Federal Awards includes the federal grant activity of Crawford County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the general purpose financial statements.

See accompanying independent auditor's report.

## COMMENTS AND RECOMMENDATIONS

# Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Officials of Crawford County

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Crawford County, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated February 25, 2013. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of Crawford County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Crawford County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Crawford County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Crawford County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and, therefore, there can be no assurance all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined below.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented or detected and corrected on a timely basis.



To the Officials of Crawford County

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Crawford County and other parties to whom Crawford County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Gmewoll, Ben, Kuhn & Co. P.C.

Atlantic, Iowa  
February 25, 2013

# Gronewold, Bell, Kyhnn & Co. P.C.

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## Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Officials of Crawford County

### Compliance

We have audited the compliance of Crawford County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal programs for the year ended June 30, 2012. Crawford County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Crawford County's management. Our responsibility is to express an opinion on Crawford County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Crawford County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Crawford County's compliance with those requirements.

In our opinion, Crawford County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012.

To the Officials of Crawford County

Internal Control Over Compliance

The management of Crawford County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Crawford County's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crawford County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Crawford County and other parties to whom Crawford County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Garnett, Ben, Kyhn & Co. P.C.

Atlantic, Iowa  
February 25, 2013

Crawford County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

Part I: Summary of the Independent Auditor's Results

*Financial Statements*

- (a) Type of auditor's report issued:
- Unqualified.
- (b) Internal control over financial reporting:
- Material weakness(es) identified? ☐ yes ☒ no
  - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (c) Noncompliance material to financial statements noted? ☐ yes ☒ no

*Federal Awards*

- (d) Internal control over major program:
- Material weakness(es) identified? ☐ yes ☒ no
  - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (e) Type of auditor's report issued on compliance for major program:
- Unqualified.
- (f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the OMB Circular A-133? ☐ yes ☒ no
- (g) Identification of major programs:
- CFDA Number 20.205 - Highway Planning and Construction (Federal-Aid Highway Program)
  - CFDA Number 10.902 - Hungry Canyons Alliance
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- (i) Auditee qualified as low-risk auditee? ☒ yes ☐ no

Crawford County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting

- 12-IV-A Certified Budget: Disbursements during the year ended June 30, 2012 did not exceed the amounts budgeted.
- 12-IV-B Questionable Expenditures: No expenditures were noted that meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- 12-IV-C Travel Expense: No expenditures of County money for travel expenses of spouses of County officials or employees were noted.
- 12-IV-D Business Transactions: No business transactions between the County and County officials were noted.
- 12-IV-E Bond Coverage: Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- 12-IV-F Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.
- 12-IV-G Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

Crawford County  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2012

Part IV: Other Findings Related to Required Statutory Reporting - Continued

12-IV-H    Resource Enhancement and Protection Certification: The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

12-IV-I    County Extension Office: The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2012 for the County Extension Office did not exceed the amount budgeted.

\* \* \*